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AUGUST 1975
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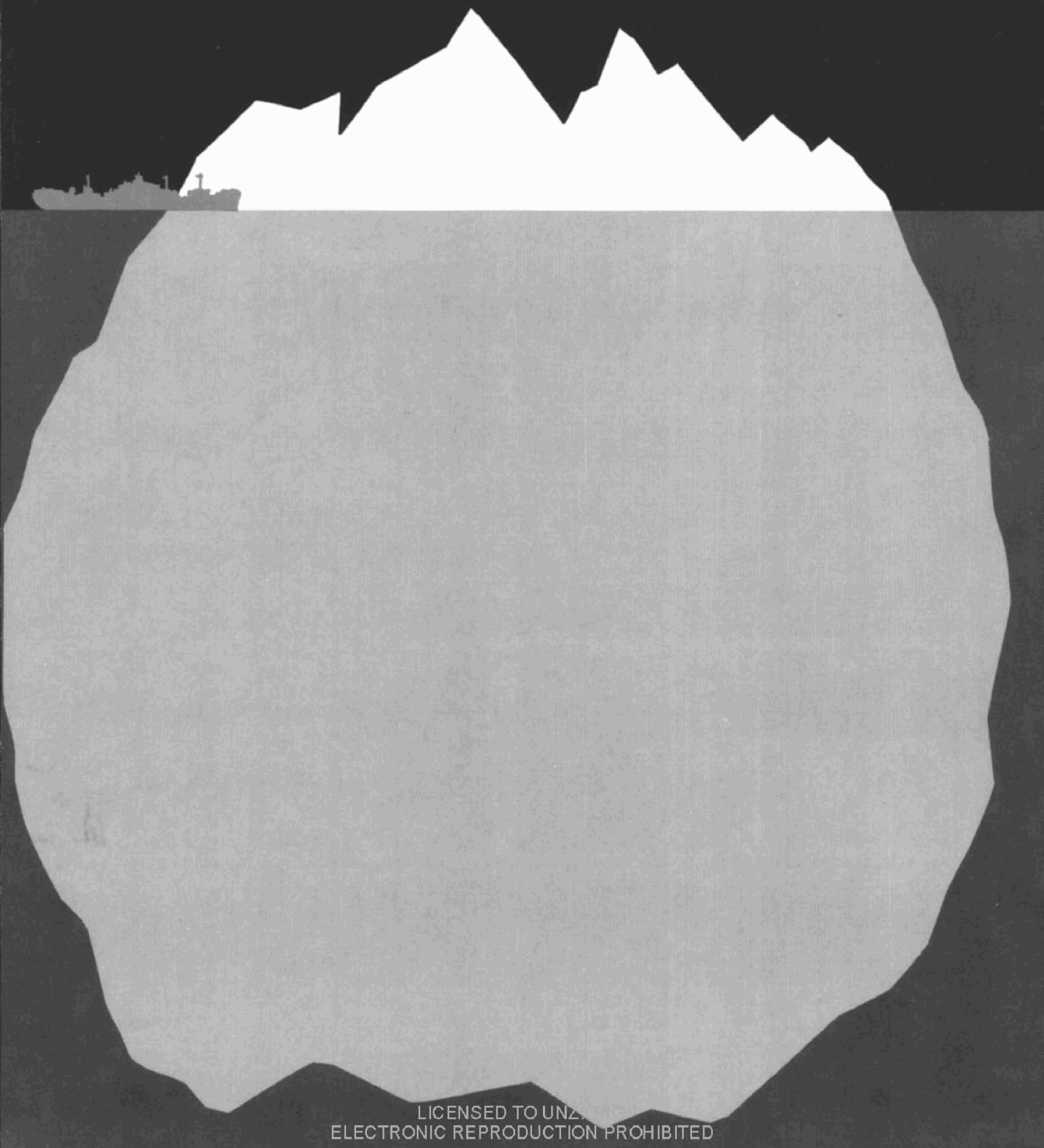
THE CIA: PROTECTOR OR MENACE? AN INTERVIEW WITH VICTOR MARCHETTI

FOREGROUNDING THE NEWS BY DENNIS J. CHASE

THE FREE MIND AND THE FREE MARKET BY EDITH EFRON



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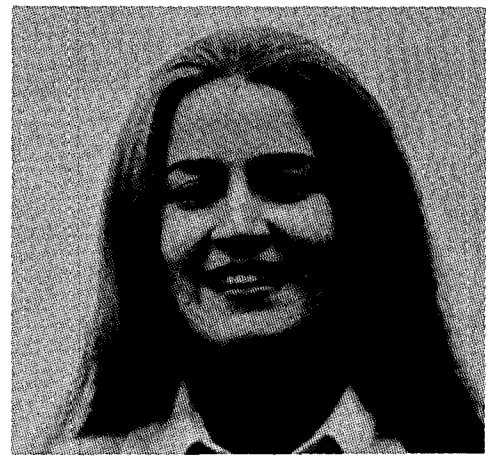

A NEW DIRECTION

SANFORD COHEN

Dear Libertarian,

If anyone had told me three months ago that I would be involved in Libertarian politics in 1975—much less managing two campaigns—I would have said that he or she was being totally unrealistic. But as I listened to the politicians and news media dismiss 1975 as an "off-year for politics," I realized that Libertarians can't afford to let freedom have any more off-years.

So, a month ago, Ellen Davis announced her candidacy for Dutchess County Executive. Already she has received an unusual amount of news media attention. The same is true for Carole Cohen who announced her candidacy for Mayor of Poughkeepsie a week later.

You who are reading this letter should be proud because you have contributed greatly to our accomplishments. Thanks to individuals like you, we in the Mid-Hudson Valley are continuing to attack statism from a position of strength and credibility. We have worked hard for two years, and we have established a flourishing mini-stronghold of Libertarian influence. We are now strengthening and expanding that influence with our new campaigns. We could not have accomplished what we have without your financial support and motivating interest.

In 1975 we in Dutchess County want to quadruple our past vote totals. Ellen and Carole are hard-working, intelligent, eloquent and—above all—Libertarians. I am thoroughly convinced that their campaigns will help us to achieve our common goals; the rights to life, liberty, and justly acquired property. I urge you to invest in Ellen's and Carole's campaigns with the same enthusiasm that you demonstrated for mine. Contribute as much as you can to CANDIDATES FOR LIBERTY. We in the Mid-Hudson Valley have no intention of letting 1975 be an "off-year" for freedom.

Sincerely,

Sandy

Sanford Cohen

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EDITORIAL / Robert Poole, Jr.
Future Shock in the Grocery / page 5

THE CIA: PROTECTOR OR MENACE?
An Interview with Victor Marchetti / Robert Poole, Jr. and Manuel S. Klausner / page 6

FOREGROUNDING THE NEWS
By Dennis J. Chase / page 17

THE FREE MIND AND THE FREE MARKET
By Edith Efron / page 24

FOREIGN CORRESPONDENT: Argentina / N. G. Molinelli
Explaining Argentina's Decline / page 32

VIEWPOINT / David Brudnoy
Getting Down to the Well on Busing / page 33

TRENDS / Robert Poole, Jr. / page 34

BOOK REVIEWS:
Gun Control by Robert Kukla / Robert L. Archibald / page 36
Recent Books on the New Left / Bill Evers / page 37

MOVIES / The Eiger Sanction; The Day of the Locust;
The Return of the Pink Panther; French Connection II / page 38

MONEY / Davis E. Keeler
The Small Investor as Serf / page 39

PUBLISHER'S NOTES / Manuel S. Klausner / page 40

FRONTLINES / Lynn Kinsky / page 41

REASON PROFILE: Ellen Davis
Lynn Kinsky / page 43

LETTERS / page 44

RUDEBARBS / page 45

CLASSIFIEDS / page 50

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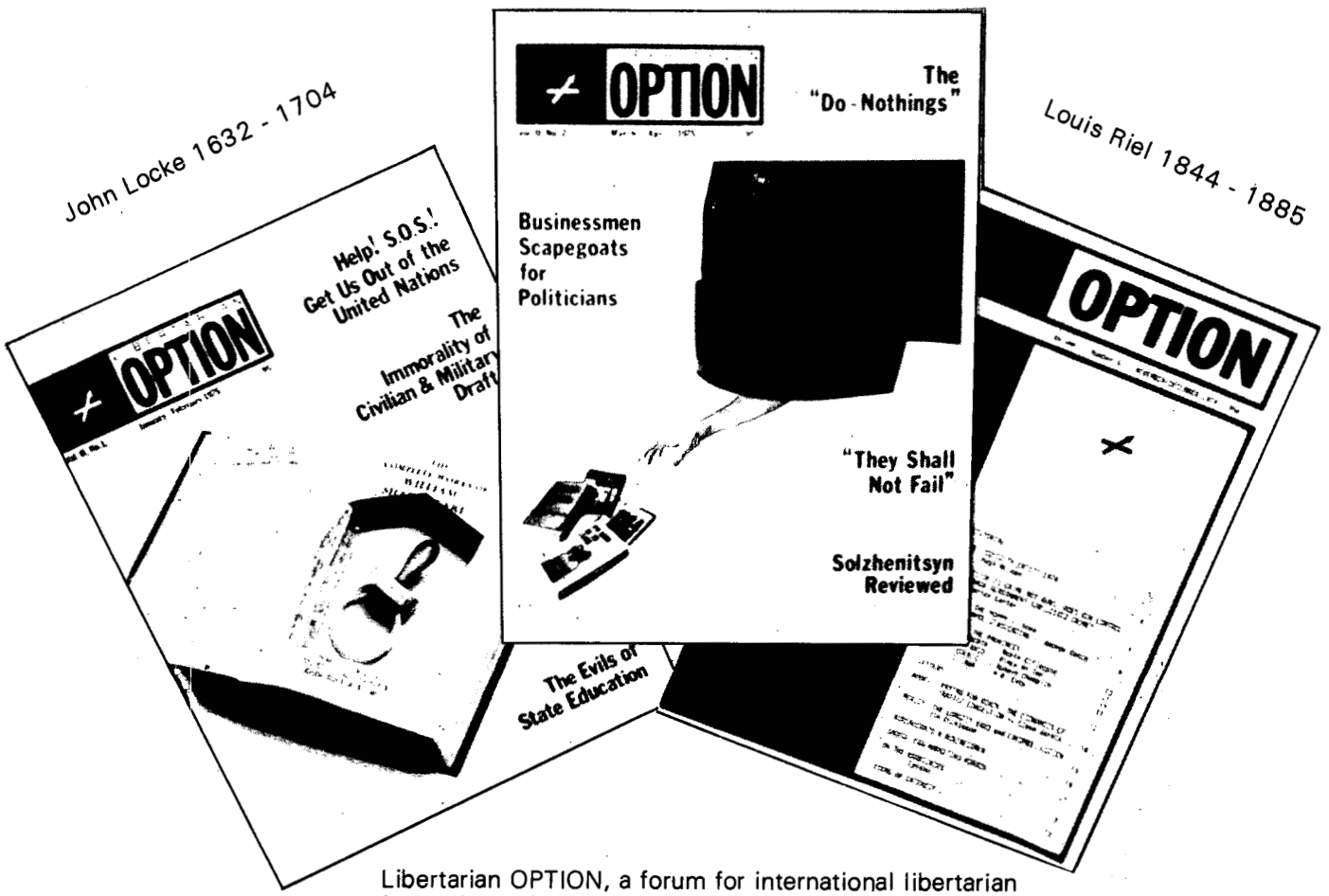

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editorial

FUTURE SHOCK IN THE GROCERY

"Technology, by its nature, is dynamic, forward-looking. Every development, every invention, every improvement upsets the status quo, changes the people and society, threatens the Establishment."—**Ben Bova**, editor of *Analog*

Future shock is as old as the Industrial Revolution. In 1815 fearful English workers, led by half-wit Ned Lud, set upon and destroyed labor-saving textile machines. Although the Luddites failed to prevent the introduction of the new machinery, their spiritual descendants have never given up attacking technological advances that threaten their content with the status quo. But today's opposition to new developments goes beyond simple fear of the new and unknown. The man in the street may react with this type of generalized fear, but all too often his fears are encouraged by relatively small vested interests which stand to lose from new developments. These amplified fears then become the excuse for new laws prohibiting or restricting the use of new technology which is designed to benefit consumers.

Two examples of this process are occurring today in America's supermarkets. One concerns the introduction of the Universal Product Code (UPC), the pattern of lines and numbers now appearing on most grocery items. The UPC, a key element in computerized check-out systems, is a symbol which encodes the manufacturer's name, product type, and package size. It is designed to be read by a scanning device at the checkout counter, hooked into a computerized cash register terminal. The terminal automatically looks up the product's current price and sales tax to compute the bill, and prints both the price *and* the product's name on the customer's receipt tape.

The Grocery Manufacturers' Association spent millions of dollars developing the UPC system because of the substantial economies it can bring to supermarket operations. In addition to such benefits as faster checkout, instant inventory, and automatic reordering (which are made possible by the computerized cash register), the UPC's big payoff comes from eliminating the costly, labor-intensive step of stamping the price on every one of the 170 billion cans and boxes sold by grocers each year. (The price would still be marked on the shelf, of course.) The GMA estimates that full implementation of the UPC will save several hundred million dollars each year, and permit the average supermarket to reduce its number of retail clerks from 22 to 18.

Predictably, the Retail Clerks International Association is up in arms over the UPC plan. According to the GMA, the union is funneling money to consumer groups to agitate against UPC and, regrettably, many consumer groups are falling into line. The Consumer Federation of America, representing 208 member organizations, is waging a propaganda war against "packages without prices," arguing that buyers will be unable to comparison-shop, *despite* the presence of prices on both the shelf and on the register tape, and the advantage of having an itemized register tape containing the name as well as the price of each item. (The consumerists also point out that the new system could make it easier for supermarkets to commit fraud—which may be true, but is relatively easy for either officials or consumer groups to check up on.) The CFA and the Retail Clerks union are backing a Federal "Price Disclosure Act" which would force stores to continue stamping prices on every item, regardless of their investment in UPC. Already 59 members of Congress have endorsed the bill, and similar measures have been introduced in more than a dozen states, including California, Arkansas, and Maryland.

The other new development also concerns computerized systems and supermarkets (among other locations). This time the issue is the computerized remote banking terminal, an innovation that permits bank teller service (deposits, withdrawals, check-cashing) at such convenient locations as supermarkets, airports, and department stores. Part of the problem here is that banking is highly regulated, with different categories of banks prohibited from competing with one another. Thus, since the different regulators have moved at different speeds to permit use of Customer-Bank Communications Terminals (CBCTs), problems have arisen. The process began with a ruling by the Federal Home Loan Bank Board in January 1974 allowing Federally-chartered savings and loans to install CBCTs, followed in December of that year by the Comptroller of Currency's ruling that national banks could do the same thing; the latter ruling established that CBCTs were not legally bank branches, and thereby were not to be restricted by state bank branching laws.

Innovative institutions quickly took advantage of these rulings—and soon ran into Luddite reactions from their conservative competitors, in league with the State. First Federal Savings and Loan of Lincoln, Nebraska installed CBCTs in two Hinky Dinky supermarkets. Five commercial banks, rather than mount an aggressive attack on the laws preventing them from doing likewise, promptly obtained an injunction against First Federal, charging unfair competition. After much harassment by the Nebraska attorney general, leading to a six-month shutdown of the system, the Nebraska Supreme Court ruled in May that the CBCTs were not acting as S&L branches. There are now terminals in 21 Hinky Dinky supermarkets, and two other S&Ls have teamed up with First Federal to offer the service. Elsewhere, the City National Bank and Trust of Columbus, Ohio, is installing 125 CBCTs in 60 major stores and supermarkets, and Atlanta's Citizens and Southern National Bank is franchising its "Instant Bank Key" CBCT system to smaller banks in seven southeastern states. Both Bankamericard and Master Charge are planning similar systems.

Nonetheless, many smaller banks are afraid of the challenge posed by CBCTs, and are backing legislation to prohibit their use. The Ohio state banking superintendant is suing banks in Cincinnati and Dayton that are trying to set up CBCT systems, a similar suit is under way in Colorado, and the 7800-member Independent Bankers Association of America is suing the Comptroller of Currency seeking to overturn his ruling that CBCTs are not branches. Comptroller Smith retreated a step in May by announcing a new rule that prohibits CBCTs from being located more than 50 miles from a bank branch. And Sen. William Proxmire has introduced legislation to prohibit all CBCT operations until a Federal study commission has decided how they should be regulated, around the end of 1976.

These examples demonstrate once again the dynamic, ever-changing nature of capitalism. And sadly, they also demonstrate that Luddism is still with us. Only today, instead of destroying isolated machines, the Luddites have access to the machinery of total, nationwide coercion: the State. Defenders of economic freedom must fight not only the specific laws restricting innovation but also the underlying conservative, anticonsumer attitudes that revere the status quo. It is these attitudes that sanction the special pleadings of those who cannot or will not face the challenges of a dynamic, competitive economy.—**ROBERT POOLE, JR.**

the CIA: protector or menace?

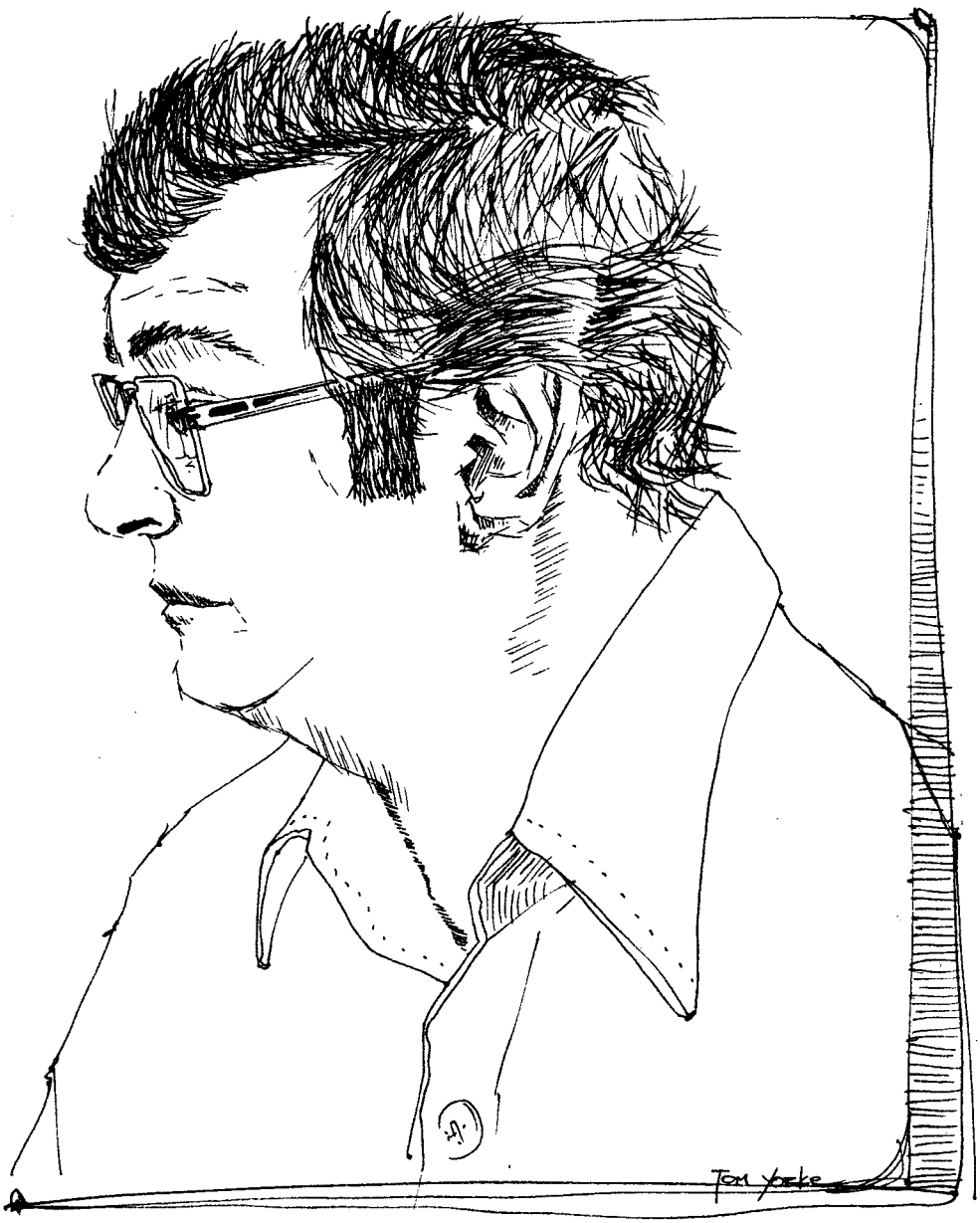
AN INTERVIEW WITH VICTOR MARCHETTI

Hardly a week goes by these days without some new revelation or speculation about the Central Intelligence Agency. The issues posed by the ongoing CIA controversy are important to those who advocate a free society. Among the most pressing of these issues are the questions: (1) What means are legitimate for a defense agency to employ? and (2) How can we prevent such agencies from becoming threats in their own right? Should we support secret organizations engaged overseas in intelligence gathering, political intervention, and assassination? Can such bodies, once created, be controlled so as to serve only legitimate purposes? And what exactly constitutes "legitimate"?

These are the kinds of questions we discussed recently with Victor Marchetti, to whom these concerns are of central importance. Marchetti has come to prominence as author of The CIA and the Cult of Intelligence, *a thoroughgoing description of the CIA's role and functions in today's world. The book has the dubious distinction of being the first book in U.S. history to have been censored by the U.S. Government prior to publication. (The CIA demanded the deletion of 339 passages; after legal action by the publisher and authors, the Federal court agreed to reinstatement of all but 168; the reinstated deletions are printed in the book in boldface, while the remaining deletions are left as blank spaces with the word DELETED.)*

Victor Marchetti spent 14 years in the CIA as an intelligence expert, ending up in the Office of the Director where he served in various staff positions. As an expert on Soviet military capabilities, he played a key role in analyzing Soviet moves during the Cuban missile crisis. His disillusionment with the CIA resulted from his growing realization that its primary mission was covert activities, rather than intelligence gathering, and his disagreement with the theory and practice of covert operations. He resigned from the agency in 1969 and wrote a novel, The Rope Dancer, *in which he portrayed the workings of the intelligence community as he had viewed them. The favorable response to the novel convinced him of the need for a thorough, factual airing of the CIA's true nature. The result was his 1974 book (co-authored with John Marks), the CIA's attempt to suppress it, and Marchetti's rise to prominence.*

Editors Robert Poole, Jr. and Manuel Klausner interviewed Marchetti during his recent speaking trip to Los Angeles. Though fatigued from a hectic schedule



of appearances and interviews, Marchetti spent 2½ hours discussing the CIA with us. Condensed to fit our limited space (but not previewed by the CIA), here are the results.

REASON: For the benefit of people who haven't yet read your book *CIA and the Cult of Intelligence*, could you describe, briefly, the principal activities of the CIA and roughly what proportion of their time and effort and manpower budgets are spent on each type?

MARCHETTI: Well, essentially the CIA is two organizations in one. And the whole thing has been a grand deception on the part of the government against the people since the very beginning. Truman wanted an analytical organization that would be able to help the policymakers and planners make their decisions, while from the very beginning the old OSS boys like Dulles wanted a clandestine cover operational organization. Their real interest was in manipulating affairs—you know, that's what OSS did: espionage, sabotage and all that, and getting in there and stirring up guerrilla warfare and all this manipulating events. So, from the very beginning, the law reads as though it's a research-analytical organization, but there's a clause in the law that says they'll do anything else the National Security Council tells them to do. As a result, over the years a huge secret charter has developed and this is largely national security directors or presidential directors telling the CIA to get into propaganda, get into paramilitary activities, penetrate labor unions and so on, and some of directives are highly specific. So the real CIA all these years has been hiding behind this little clean white tip of the iceberg, which is about one-third of the agency in terms of people and money, that does the collections and analysis. The rest of the agency, along with all its extension agents, contacts, proprietary organizations, alumni association and allies, is all largely supporting clandestine—a covert action type of operation. It's just now that the secret charter is being shown in censored form. Certain items are deleted from it.

REASON: Where is this being made available?

MARCHETTI: The Church Committee has demanded to see it. You see, the CIA, when they get the pressure on them always try to get off as cheaply as possible. When the pressure built about the secret charter, partly because of what I was saying and what other people were saying—then finally Stennis had to go through the motions of asking to see it. They showed it to him and then they told him it's so sensitive you can't read it—you can't keep it. So they took it back and they said we'll sanitize it and make it available for the public. I think that was a year and a half ago. Nothing has ever happened. So the Church Committee has asked for it now and they finally got it from the White House. But there were three directives deleted, completely and entirely, and many of the others delete paragraphs and sections with some kind of language summarizing it put in there.

We've been hoodwinked and hornswaggled on the CIA. And this is part of their technique. They will lie. They will deceive in order to protect their secrecy. Secrecy is the name of the game. Without secrecy comes accountability and with accountability comes problems. Then you can't be a big fat overblown bureaucracy doing whatever the hell you want to without answering to anyone.

REASON: In the introduction to your book you mention a permanent injunction which CIA obtained via Federal court requiring prior CIA approval of anything that you write or say on the subject of intelligence. Is this still in effect?

MARCHETTI: Yes. And it's even broader than you described it. It's anything that I say on the subject of intelligence—or *purporting* to do with intelligence—factual, fictional or otherwise.

REASON: Does that therefore cover what you're telling us right now?

MARCHETTI: That's right. I'm now speaking at my own peril. They monitor anything—any interviews I give, any appearances on TV or radio, any lectures, and so forth—and will from time to time—the last time was early last year—try to get me for contempt of court on the grounds that I'm going beyond the terms of the injunction.

REASON: Do you think that the CIA might attempt to look at our manuscript prior to publication?

MARCHETTI: No. In this instance they have to wait until it is published in order to make the contempt charge—unless they could prove a case of conspiracy, that I was going to tell you all kinds of things and that you were going to publish these in direct violation of the injunction.

REASON: To your knowledge are you under CIA surveillance regularly?

MARCHETTI: I have been in the past—The Agency has admitted to it. Right now I'm not sure if I am or not. There are times when I think I am and then there are other times when I don't know. I go under the assumption though, that I am. And I don't do or say anything that I wouldn't want to read on the front page of some newspaper some morning.

REASON: Your book was the first book in U.S. history to be censored by the government prior to being published. How did the courts justify doing that?

MARCHETTI: They used a very interesting argument—I wanted to argue the case on the grounds of national security: that there was nothing in the book that endangered the national security. The CIA ducked the argument and argued on a contractual ground that I'd had—that my secrecy agreement that I signed upon entering the agency was tantamount to an employer-employee contract and it was valid in perpetuity. So they then produced evidence that I had written some articles in which I had revealed, in their opinion, classified information. And also that I was planning to write a book that would reveal classified information.

And the contract itself is directed to classified information, not national security—it just says classified information. And *they* control what is classified or not. The judge bought it and it was upheld and the Supreme Court chose not to hear the case. So now we're going through the whole thing again and it's before the Supreme Court now and hopefully they will agree to hear it this time.

REASON: Do you think a contract—an employment agreement that obligates you not to give classified information—should remain in force and would be a valid agreement?

MARCHETTI: There are a lot of other considerations. Does that kind of an agreement supercede or take precedence over your First Amendment rights of free speech? Secondly, how long can something like this be made valid? Thirdly, what about selective prosecution? There are, and I can cite, many, *many* examples of people having revealed classified information that is deleted from my book—but nothing has ever happened to them, because these were all friends or apologists of the CIA.

REASON: You're thinking of people who give information to Congress when they justify higher defense appropriations, and so forth?

MARCHETTI: No. I'm not even thinking of that at all. That is another example that since the government controls classification, and they can control what they can give the Congress. But what I was talking about is say a columnist like Tom Braden will talk about certain CIA activities that he was involved in when he was in the CIA. If I try to talk about the same activities, they delete them.

REASON: The difference is the CIA consider him a friend and not an enemy?

MARCHETTI: They did up until, I think, his last article. That's where he finally came out against them and said that he thought no matter what was done, these arrogant, elitist, powerful men would continue and that the CIA monster would live on.

REASON: Without getting yourself in trouble, could you describe what kind of things were sustained as deletions from the book. What type subject matter were those things?

MARCHETTI: First of all, I'd like to make it clear that they haven't been sustained—they lost. Of the original roughly 340 deletions that they asked for I was able to argue them out of half of those in advance.

REASON: Those are the ones that are printed in bold type now?

MARCHETTI: Right. And of the remaining 50 percent they lost all but about 20 of them in court. They couldn't even prove by their own ground rules that the information was classified.

"The whole thing has been a grand deception on the part of the government against the people since the very beginning."

REASON: Would you make any distinction between a private employment agreement, where the employee is restricted from disclosing confidential trade secrets, for example, and your own agreement with the CIA as far as the enforceability is concerned?

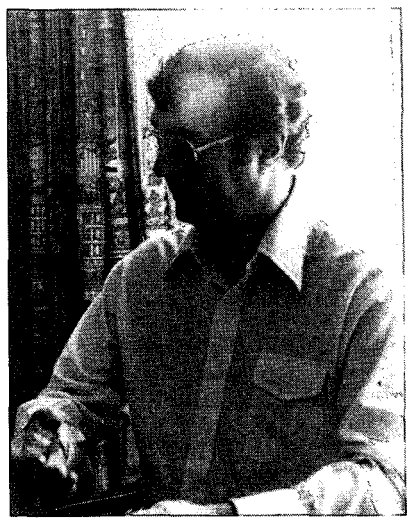
MARCHETTI: Yes, I think so. I think that in a business arrangement you *can* make a case for keeping certain formulas secret, for example, until the patents run out or whatever. I don't think the government enjoys the same benefits, particularly since they're not doing it for business purposes—they're doing it to cover up their own activities, which may be embarrassing or simply something they don't want the public to know about. This is one of the reasons for secrecy—to keep the American public from knowing. I mean, the Laotians know when they're being bombed—the Chileans know when they're being overthrown—the Portuguese know when we're mucking about in their affairs and so on—but the idea is to keep it from the American public and my book is an example of this. There's another book out by a former CIA officer which was published in England—and that book has been published in hundreds of thousands of copies in Canada, England, New Zealand and Australia—it's all over the world—anybody who wanted to read it has already read it. But the CIA is trying to prevent that book from being published in this country because they don't want the American public to read it.

REASON: How does that other book—it's Philip Agee's *Inside the Company,* I believe,—how does that book differ in terms of the kinds of information it reveals from your book?

MARCHETTI: Well, mine is written from a Washington viewpoint—it's a broad overview of the CIA and the intelligence community. It gets into a certain amount of detail in various areas and cites examples. One of these areas of course is clandestine activity in the underdeveloped countries. Now Agee happened to have spent his career in Latin America, so his book concentrates on clandestine activities in Latin America and in the countries where he was. He then takes a lot of things that I speak to in general terms and gives it in much greater detail, so the books complement each other.

REASON: I've heard that his book names the names of agents who were still underground and this might endanger their lives by blowing their cover. Do you know if that's true and do you think that's a valid reason for the government and CIA objecting to the book being published in the first place?

MARCHETTI: First of all, it *is* true that he does name names and he uses a form of writing that I didn't choose to use for obvious reasons. I wanted to work within the system and he had given up on the system and just said the hell with it. As for the accusations that this is going to endanger lives—nobody's been hurt. The most the CIA has been able to come up with and which they have leaked to the press in order to justify their actions is that one of these contacts was called up on the phone and threatened, one of them had a "go home Yankee" sign painted on his front door or something, and one of the local agents who is now working as a taxi cab driver in Montevideo was going along one night and a car pulled up to him and a guy in the other car emptied a six shooter at him but didn't hit him—so the



guy who was shooting at him was either the world's worst shot or it was a put up job in the first place. The book is not going to affect the lives of the Americans —most of them are already known to the governments they're working for, to the opposition intelligence services and the like—any of those that the CIA feels there's any danger to they simply move to another post or bring them back to headquarters. And as for some of the local agents who might have some fear of physical harm, some of these people have blood on their hands, the blood of their own countrymen, as Agee points out in the book.

REASON: You mentioned that many or most of the CIA's activities are already known to both Soviets and to local governments abroad. There's a question that's been raised about operations like that. For example, the U-2 flights in the 1950's. They were known to the Russians but making it *public* that they were known would have required a response of some sort from the Russians. Is the secrecy in some cases, even though it's sort of an open secrecy, perhaps a stabilizing force, as opposed to full disclosure being unstabilizing in terms of the formal overt relations between nations?

MARCHETTI: That's a tortuous rationalization and I think this will sum it up nicely: when Richard Bissell gave that example he said this was a wonderful example of two hostile governments collaborating to keep their respective publics from knowing what was going on. Take this case of the U-2. Suppose the President found a need to say publicly, look there is no missile gap. We know there is no missile gap and the reason we know it is that we've been flying over the Soviet Union with high level observation aircraft and we're quite convinced that they do not have a large ICBM force, they just have medium ballistic missiles, and therefore we do not have to panic and go into a very costly rush program, but we can move along at a slower and more reasonable pace. What could the Soviet Union have done about that? Khrushchev get up and say, you guys are spying on me. And we say, yes we are but that's because you're so damn secretive that we have to do it. You know. You do the same thing. There'd be a little something—but these men are running big governments and they're usually smart enough to not let a minor little thing like this undercut their major policy. It's my personal belief that Khrushchev did not want the peace conference with Eisenhower in 1960 and he was going to wreck that conference one way or another. He just wasn't ready to sit down to a peace conference yet.

REASON: Can you think of any examples where secrecy might have been justified in terms of the CIA coverup of actual events?

"The Laotians know when they're being bombed—the Chileans know when they're being overthrown—the Portuguese know when we're mucking about in their affairs and so on—but the idea is to keep it from the American public."

MARCHETTI: Let me say that I do think there are legitimate secrets. There are some very obvious examples like codes and cyphers and strategic military plans—the inner working of our nuclear weapons and so forth. There are certain legitimate secrets that the government is entitled to keep and that people should honor. However, I don't think the government should be the judge—if an argument should break out on this the government, and certainly *not* the CIA, should not be the judge because it's in their interests to keep everything secret.

REASON: So who should be the judge in your opinion?

MARCHETTI: Well, the only thing we have now is the court system. And these judges handle very, very difficult cases like patent cases and the like, so I don't buy the argument that they don't know enough about foreign policy or defense that they can't figure it out. That I guess would be one approach. Another approach would be perhaps some kind of a regulatory commission or something. But in the end secrecy cannot be enforced. It can only be enforced if the individuals who were sworn to secrecy are willing to abide by that declaration. If one wants to break it out, one can do what Ellsberg did. He can just walk out of his government agency with a box full of papers and give them to the *New York Times*. Or do what many many people do and slip a document now and then to a Jack Anderson or some other reporter—or leak them anonymously in some other fashion. The other thing he can do would be just what Philip Agee has done which is simply to say that I'm not going to play by the rules of the game and I'm not going to pay the price either. And he goes to a foreign country and does it.

REASON: But from an institutional standpoint you don't have any alternatives or suggestions to have anything other than another branch of government be the guardian as to what should be or shouldn't be classified?

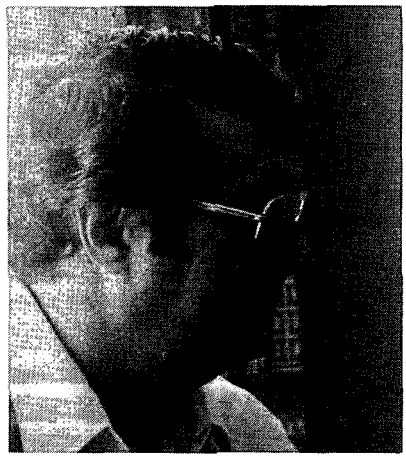
MARCHETTI: Well, yes I do have one other. And that is that we should get away from excessive secrecy. I don't know how you enforce this. It just has to happen. You know, people just have to be in agreement, there's to be a consensus. It's a very difficult problem and I have no quick and easy solution.

REASON: Maintenance of secrecy would require lying or deception as a standard operating procedure. Isn't this the case with the CIA?

MARCHETTI: Oh yes. Every President is on record as having lied to protect the CIA. All the Directors have lied or expressed a willingness or intent to lie.

REASON: Do you have any notable examples in mind of this?

MARCHETTI: Eisenhower, for example, lied about the fact that we were trying to overthrow the Indonesian Government in 1958 and so did the Secretary of State—and got everybody worked up. The *New York Times* was indignant and was writing nasty editorials about the Indonesian representative to the U.N. who said we behind the overthrow. Well, a few days later they shoot down one of the CIA's planes and capture the pilot—he was on a bombing run—and Eisenhower just said well, when you have a one percent chance of being believed you've got to lie. That was *his* attitude. Kennedy lied—you know, he said he'd like to break the CIA up and cast it to the wind and he left everybody with that impression and he did nothing of the sort.



REASON: What are some of the significant Kennedy lies that you can think of?

MARCHETTI: Well, there's one—operations against Cuba were continued at the same and even higher rates as before the Bay of Pigs and clearly from the information coming out now there were assassinations, assassination attempts, building new special boats for gunrunning and agent-running into Cuba. And now people like Martinez, Barker and these guys are beginning to talk and tell about all the things that were going on. Kennedy deceived the people on Vietnam—he's the guy who got us started in that; the secret war in Laos—he's the guy who did that; and he was the guy who sent us into the Congo. Kennedy's whole Alliance for Progress was a big joke, you know, that we were going to help the Latin Americans to pull themselves up by their bootstraps, to help them with land redistribution, balance the economy out a little bit better so that it wasn't 2 percent of the people owning 98 percent of everything. And at the very time that he was saying things like that and going through the motions he was pumping in military aid to the dictatorships and the like and the CIA was working to overthrow governments or prop up governments.

REASON: That raises an interesting point about the contrast between overt military action versus some sort of covert undercover way of dealing with an actual threat to national security. I've heard some people advance the idea that mass destruction or mass warfare of the kind that we have in the 20th century, because it involves killing large numbers of civilians is then one of the most immoral things that's ever been invented. From that standpoint, wouldn't it be less immoral to go in and assassinate the key leadership rather than to wage massive warfare?

MARCHETTI: Well—it's an interesting question. And it all hinges on whether you consider it moral or necessary to take the first step—that is, to overthrow the government.

If you could be assured that the simple assassination of the leader would achieve your goal, it may not be any more immoral to kill one person than to kill a thousand people with a surgical strike of some sort. It certainly would be more practical. But if you could be assured that that would do it, then maybe not for moral reasons, but for pragmatic reasons, you might say well let's do it that way.

However, I don't think there are very many cases where you're faced with that kind of a situation. First of all, I go on the assumption that the way you lead is by example, and not by manipulation and

"Every President is on record as having lied to protect the CIA."

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"Now they go around saying that if there were a cholera epidemic it was probably the CIA that did it! We get blamed for everything now, whether it was our fault or not."

substitutes. And I feel that if we put our own house in order—if we had a healthy economy, strong democracy, viable society, that we were making our own democratic system as we understand from the Declaration of Independence, Constitution and everything, really work—that's where our real strength would come from and that's what would assure us of not only prosperity but of security and peace. And people would want to imitate us as they did one time—I mean people used to go around quoting from the Declaration of Independence and from the Constitution—but not any more. Now what they go around saying is that if there were just a cholera epidemic, it was probably the CIA that did it! We get blamed for everything now whether it was our fault or not!

As much as you may want to help somebody or help them to help themselves, sometimes a situation is such that there's nothing you can do about it. When you get into some of these countries where they've gone on for centuries in poverty and repression and oligarchies or dictatorships, where you have the sons of the generals turning against the regime, the priests turning against the bishops and everybody, where you have now the new phenomenon of military dictatorships that are leftist (like Peru, Ethiopia, Portugal)—now what happened to the good old military juntas, you know? This says something about the root causes being so complicated or so overpowering that you can't go in there and do these kinds of things, because all you're simply doing is cutting a weed down, and you know when you get out there next Saturday it's going to be up again and maybe in two places.

REASON: That's persuasive. On the other hand, there's also the argument raised by some people that if we didn't have any sort of covert operations capability, given the existence of organizations like the KGB operating in these countries, trying to turn those situations to the advantage of the Soviet bloc, that the U.S. would be in a lot worse position than it is today, and that a lot of these movements would be exploited to the advantage of the Soviets.

MARCHETTI: Well, I think that's a hollow argument, and I'll tell you why. You can read John Barron's book on the KGB and you find precious few examples of how this KGB is manipulating affairs in the Third World, because there aren't many to point to. Take Latin America, where the Soviets aren't even there—I mean, they don't even have diplomatic representation much less a KGB residency. Because that's one of the first mission directives to the CIA is to keep them the hell out if they can.

REASON: So is it accurate to say that in the Third World countries the CIA is much more highly represented than the KGB?

MARCHETTI: Yes. If there's one area where the CIA is superior to the KGB I guess this would have to be it. The KGB is better at spying against us than we are against them but that's partly because they're operating in a more open society when they're working in Western nations and also they're much more conspiratorial—they have a longer tradition of conspiracies and the like. They're also better at counterintelligence than we are—at penetrating intelligence organizations. And again for essentially the same reasons.

REASON: So, in that context, do you have any personal views on what the proper role would be for a foreign policy for the United States government? Do you have any opinion as to the virtues of neoisolationism or noninterventionism as a foreign policy model?

MARCHETTI: Yes. Some people say that I'm kind of an isolationist, because I advocate getting your own house in order first, and then working from there. I think there are times when we shouldn't interfere with things—if you want to call that isolationism, all right. I don't think we have to get involved in every goddamned brush fire war around the world.

REASON: Let's move on to something a little different. Harrison Salisbury in his article in the May *Penthouse* "Gentlemen Killers of The CIA" seems to imply that assassination is a fairly common technique of the CIA and remarks that Marchetti thinks that the CIA almost never uses assassination. This is not your characterization of your view, and where does Salisbury get his idea?

MARCHETTI: Well, there are several things about the article. One, I think that Salisbury may know something that we don't know, and he's now turned off by it. Secondly, as for what he's quoting—what heppened here is that I was on a show with Salisbury and one of the guests was this fellow Tom McCoy who is an ex-CIA guy and an apologist. And Tom and I were talking, you know, about how the agency sure gets involved in paramilitary activities and sure they set up things that might end up in somebody's death, like Allende's, but it's touch and go as to whether you can prove it or not. And then McCoy said well hell, we don't even carry guns. And then I said something like, well except for a certain person, and we both knew, and we started laughing. So Salisbury has used the story just a little bit to make his case. But I think the thrust of his article—what I found so interesting in it wasn't the killing—I mean, I think he's right. You have to accept responsibility for the deaths of Diem and Allende if you've done everything else but pull the trigger, and maybe you *did* pull the trigger through a contract man or something. But what I found fascinating about that article is that the CIA conned the White House, the CIA conned the Congress, the CIA conned the public and it even conned itself. And that I think was the most important thing. I know *I* was conned.

REASON: On the subject of assassinations and Presidents, do you have any viewpoint as to any CIA links in the John F. Kennedy assassination?

MARCHETTI: Well, I'm going to tell you what I feel and after that preface of being

"I don't think we have to get involved in every goddamned brush fire war around the world."

conned and everything, and reminding you again that the agency is compartmented, clandestine and secretive and everything, I do not think that the CIA *as an institution* was involved in the Kennedy assassination. John McCone was then director and very close to the Kennedys, and Kennedy not only didn't break up the CIA but used it extensively throughout the world—as a secret weapon. So for all these reasons he was popular and well liked within the CIA. There was, however, a small group of bitter, ex-Bay of Pigs types, and E. Howard Hunt is just one example, but I can't imagine that that small a group would have enough influence or for that matter the ingenuity or the courage to attempt something that big. Now this is not to say that something analagous to Watergate didn't happen, maybe some ex-CIA officers working with some ex-agents—maybe one of whom was still on the payroll just like Martinez was in Watergate—for their own reasons, or in support of some other group, were not involved in some kind of a conspiracy.

REASON: You're suggesting that you're not entirely satisfied with the Warren Commission's findings that Oswald was the lone assassin?

MARCHETTI: Yes. That's what I'm saying. I think there's been enough evidence brought forth in the recent years to cast an awful lot of doubt on the Warren Report's completeness and accuracy and I think this thing should be reopened.

REASON: Do you have any feel for whether or not the CIA was activly involved in assisting Nixon in the Watergate cover up?

MARCHETTI: I think that the CIA was more deeply involved with the plumbers, and perhaps in Watergate, than we know. I know that this fellow Angleton, who is head of the counterintelligence and was retired recently, had connections with the Watergate people. A friend of mine saw him coming and going with the plumbers. There were a lot of strange things going on. There's a taped August 1971 discussion between Ehrlichman and Nixon about Victor Marchetti, which would make me think there was some connection. I'd never been able to get my hands on this—and apparently neither has Ehrlichman—he tried to recover it for his trial and couldn't get it. Senator Mansfield asked Richard Helms, the Director of the CIA, to retain any tapes that they had relating to Watergate (as a result of conversations within the agency or between the agency and the White House), and a week or so later when Mansfield called for those tapes, Helms said, oh they're gone. And Mansfield said what do you mean they're gone? And Helms said well, they were destroyed. We were housecleaning. Which was directly in violation of the request and Helms just dared Mansfield to do anything about it. You know Senator Sam Ervin said certain things like—well he's been very careful of what he says, but the impression you get is h'mph. And Senator Baker and his people were absolutely convinced that they were being played with and toyed with. And the kicker of them all is that John Ehrlichman has written a book—a new book—which is, of all things, a novel, and it's about how a President is destroyed by his secret intelligence agency, and the villain is the head of that intelligence agency. I don't think Ehrlichman is the kind of a guy that would write a book like that, just to try and make a few bucks or something. He has to make a living and everything, so I would think that he's reflecting his own deep suspicions just as Colson and some other people have in the past—some of the people who were involved in all of this are very much annoyed at the CIA.

REASON: You refer in your book to the Council on Foreign Relations (CFR) as the real constituency of the CIA. Many people on both the right and the left have charged that the CFR functions as America's secret government or invisible government. How accurate a charge do you think that is?

MARCHETTI: The CIA is more than just an organization—it's an attitude and it's an attitude that's prevalent among a lot of powerful and influential people throughout our government and society and these people on the CFR are in and out of government. There's just no doubt that this is an institution of what some people call the Eastern Foreign Policy Establishment. It's just one of their bridges bebween our official government and the power centers behind it and in our society, and I think they even go beyond that.

REASON: Do you put much stock in conspiracy theories, of either the right or the left, as they relate to the CFR?

MARCHETTI: Well, I try not to for a couple of pretty simple reasons. One is I don't want to get paranoia, and I've got a lot of reasons to be paranoid, but I don't want to get there. And the other reason is that I'm just not that brilliant to be able to cope with intricate convoluted conspiracy theories. I'm a fairly open and straight-forward kind of person and kind of idealistic and optimistic and usually will try to explain it as coincidence or nature or something, until somebody comes forth with some evidence. Sometimes late at night you'll sit around with people and you'll get into these conspiracy theories and then you're afraid to go to bed, you know.

REASON: If it's really as all encompassing as the people say, you might as well give up, I suppose.

MARCHETTI: That's right. Because you've already had it—it's already over.

REASON: What's your opinion of the Howard Hughes Glomar Explorer operation? Do you think, for example, that they really only got one-third of the submarines, or that they were just using that as a cover story?

MARCHETTI: I don't know. I think that the CIA has done such a good job of muddying the waters at this point that nobody knows whether they got it all, or none of it, or one-third of it or what the hell they got. We don't know and the

"I do not think the CIA as an institution *was involved in the Kennedy assassination."*

"I think there's been enough evidence brought forth in recent years to cast an awful lot of doubt on the Warren Report's completeness and accuracy."

Soviets don't know. Or maybe the Soviets do know and they're just not saying. One thing I would say for it, is that this is what I would consider a legitimate activity in principle: when there is something lying at the bottom of the ocean and it's available to anybody who can get it. The Soviets don't even know where it is. We find out and as Melvin Laird says, the Soviets knew what we were up to when they saw us out there. They could figure it out. But they kind of shrugged their shoulders and drove off. What they probably did was a damage report and said, what are we going to lose if they get the warheads and what are we going to lose if they get the deciphers from eight years ago. We've already changed everything already, and if we haven't, do it. So—it isn't worth a hair, this business of secrecy. It just isn't worth making a fuss over. There are bigger considerations.

REASON: That's what I was going to ask, whether you think the whole thing would be worth the massive cost . . . ?

MARCHETTI: My feeling as to what happened, having worked with technical programs in the past, a lot of them, is that it took 1) a lot longer, 2) a lot more money than they ever thought when they started out. I bet they thought they could do it in two or three years or something like that. Maybe four at the most. And that they could do it for 100 or 150 million—but they ran into problems, problems, problems—technical problems. And it's also probably turned out not to be as successful as they had hoped. They didn't get everything that they wanted. The damn thing broke on them or something, or they got the wrong part. The thing that bothers me about it is this dealing with Hughes—with Howard Hughes. You can see why they would want to deal with Hughes because of all the obvious reasons, but this is where you get into this business that the goal, the political goal, whatever it is, transcends everything else, and you make strange bedfellows. Like maybe with the Mafia, that helped overthrow Castro, maybe with dope peddlers in Southeast Asia, and so on. And then you're stuck with these things. You're stuck with them afterwards. I mean you're indebted with them to some extent. Even if it's for your own protection to keep the relationship secret. Now nobody's ever going to convince me that Howard Hughes has done this out of the goodness of his heart.

REASON: Well, conceivably he got an elaborate mining ship that he could then use in profitable mining operations at government expense—that would be a nice jump on his competitors.

MARCHETTI: And maybe something else. Maybe he got the IRS to lay off him, or who knows?

REASON: Could you say a few words about the CIA's Domestic Operations Division and the extent to which you think that represents an actual or potential threat to civil liberties?

MARCHETTI: I think that obviously we can see the relation between certain foreign activities and domestic affairs—the economy and all that. But what is the most frightening of everything is when they begin to operate within domestic affairs and apply their same methods and techniques. Now I don't know all that much about the deal, see, because it was clearly one of those very sensitive activities. When I was working on plans or programs and budgets, I'd just be told, forget it, you don't have any need to know. And you could never find out very much about it. They used to have a branch years ago—a domestic branch—which was smaller and I think probably clearly involved the support in overseas operations. Why it had to be enlarged to a division and put on a level with all the other areas—the Africa division and the Near East division, you know—it makes you begin to ask yourself some very difficult questions. Why they couldn't have their headquarters right in the limelight like all the other divisions, but had to be secreted away elsewhere in Washington, makes you wonder. Also when you start putting this together with training of local police and some of the other domestic activities that we've been learning about, that have been trickling out, and you start seeing the CIA people showing up in odd places—as in drug enforcement and law enforcement—and as public safety advisers to the mayors of large cities. Knowing what computers can do today, it's not hard to make just a simple direct analogy between CIA operations in a foreign country or foreign division and here. Most of the reasons they used to give for its existence were phony, because the activities were actually carried out by other parts of the agency—you could only come to one conclusion—that they're operating against something within the nation. Obviously they're going to have to have a good excuse—it's going to have to be civil rights movements, peace movements, extremists and all that kind of stuff.

REASON: Could you outline very briefly what your conception is of a proper role for an organization like the CIA. That is, if you could just at the stroke of a pen restructure completely at least the CIA and perhaps the whole intelligence community. What functions do you think are proper and how limited do you think the role of an organization like that should be?

MARCHETTI: Well, in the first place you'd have to do it in terms of the intelligence community. You can't do it just in terms of one agency. I think there should be one agency which consists largely of the CIA's collection and analytical capabilities and that this agency probably should have different parts of the technical intelligence that are related, and that this should be a separate organization not under the control of the Pentagon—an independent agency, but it should be both directed and controlled by Congress as well as the White House and that its product should be available to both Congress as well as the White House, because they have to make decisions too.

I think that both on moral grounds as well as pragmatic grounds that the CIA's clandestine activities, in particular their covert action in operating, could be abolished. That's an extreme position and I don't think it's terribly realistic, but I take that position, because I'm hoping for a compromise somewhere in between. I think that what's more realistic is that certain activities should be abolished, certain ones being reduced, and, hopefully, the whole thing made much smaller and much more tightly controlled by Congress on a firmer basis. I think much of the Pentagon's intelligence structure should be taken away from the Pentagon and put into either the economic agencies, because the Pentagon is responsible for more kinds of intelligence than everybody else put together. If you could just clean up Defense Department intelligence you could save a million or two million dollars a year alone—there's so much override and redundancy and bureaucracy it's incredible. Also I think that the FBI should be taken out of the intelligence business and made a pure crime fighting organization

"I think that the CIA was more deeply involved with the plumbers, and perhaps in Watergate, than we know."

and in addition to going after street crime I'd like them to go after white collar criminal acts, particularly organized crime.

REASON: When you say organized crime, would you include gambling and prostitution, or do you think that those are the types of nonvictim conduct that shouldn't be crimes at all?

MARCHETTI: I think of them in the traditional sense as being criminal because they're run by criminals—people who are making money off it. If we want to have prostitution, make it legal and you can have free enterprise or something, but why should the Mafia and these kinds of guys rake in all this money from prostitution and gambling and use it to buy legitimate businesses and everything—I mean, the Mafia is part of the establishment now.

REASON: Let me ask you a question on another subject if I could. You referred earlier to the CIA alumni association. Do you have any estimate of what proportion of members of the CIA who are not presently active as CIA employees are nevertheless still active in some CIA activities?

MARCHETTI: I think it's pretty damn large, although it's hard to come up with a figure. Overall I would say it's at least 50 percent or maybe more—and maybe a *lot* more, because I'm always finding out funny little things since I've left the agency—you know, a guy who's been out of the agency for 10 years or something like that, will confide in me privately one night while we're having dinner that he still rents and sells safe houses and buys and sells safe houses for the CIA. Similar little things like this will happen.

REASON: William Buckley disclosed that he had worked for the CIA after he graduated from Yale. Do you have any information about the type of work that he did or any continuing activity that he might have with the CIA?

MARCHETTI: Well, all I know is what E. Howard Hunt has said about him—that he worked for him in Mexico and that as an agent I would think he was involved in some kind of covert action—activities having to do with students or something of that sort. I'm sure Buckley still is close to other people. You have to remember that people don't just do these things for money and maybe in more cases than not they're doing it out of the old loyalty because they believe in the goals and the methods of technique. I think you would have to consider Buckley a friend of the CIA, particularly when he writes a column advising the director of the CIA, Bill Colby, to lie to Congress during an investigation. Nobody paid him to do that, I'm sure, but they might just as well have.

REASON: As a final question—were you aware of the libertarian philosophy, the libertarian movement—?

MARCHETTI: I had read an article about it in a magazine somewhere and I got intrigued—and thought gee, that's pretty interesting as an approach. So when I was out in Idaho I ran into Ralph Smeed—we were chatting and I asked him what do you know about these libertarians—and one of the things I remembered him saying was that the trouble with the conservatives is they're so goddamned grouchy and sour and everything, and they just don't have any fun in politics. And he said now these libertarians, they're not going to sit there and let everybody else have all the fun—they're going to come up with unique and novel ideas and he was telling me some of the things that they did. Like that Lady Godiva thing in New York, and stuff like that. But again, like I say, it's new to me.

REASON: Well, we hope you'll stay interested in libertarianism. Thank you for a fascinating conversation. ◻

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Dennis J Chase

For most people, daily newspapers or television news programs are lifelong textbooks. In their own fashion, journalists are the world's teachers who present "lessons" in the form of news stories. The picture that emerges from these lessons is not unlike what emerges from most high schools and colleges: disjointed stories with no apparent connections. What daily journalism offers is not, strictly speaking, news (important changes in the status quo that can be verified), but gossip. The changes that are reported are not really changes, or they are not really important, or they are too-soon shown to be unimportant. In short, the daily journalism textbook is a random sample of incomplete information. It lacks completeness because it is all flat surfaces, and no foreground, my word for the unknown, still-to-occur events that would shed some light on the real changes and true importance of today's events. It is this failing that helps to strangle the chance for a science of journalism.

Dennis J. Chase is a correspondent with an international news organization, and is currently based in London. A frequent contributor to local and national publications, he is the author of "Up from Journalism," which appeared in REASON's September 1973 issue.

If one believes that there is some way in which somebody is not hurt by inflation (he's) mistaken. Everybody is hurt by inflation. If you really wanted to examine who percentagewise is hurt the most in their incomes, it's Wall Street brokers—I mean, their incomes have gone down the most . . . if you want to be statistical.—Alan Greenspan, chairman of the President's Council of Economic Advisers.

That's the whole trouble with the Administration—Wall Street brokers.—George Hardy, president of the AFL-CIO Service Employes International union.

PARLEY INCENSED BY GREENSPAN—headline, Chicago Sun-Times, Sept. 20, 1974.

Only in the darkness of journalism practice does the furor over Alan Greenspan's comments before an Administration conference on inflation make any sense. The conference was for persons in the social services, education and health fields. Politicians such as Sen. Edward Kennedy, and others representing various fiscal constituencies turned the meeting into a

"sounding board for protests" of spending cuts that were expected to be felt by these fields. The meeting was one of a series, and largely symbolic.

So what happened to turn it into a news event? By a consensus of accounts, Greenspan gave a routine explanation of inflation, and then, while discussing the effects of inflation on the elderly, made reference to stock brokers' incomes—as an aside, really—to "illustrate that all segments of society were being harmed by inflation," according to the *New York Times.*

Later, reporters in their stories would paraphrase Greenspan as having said that percentagewise, stock brokers were "hurt the most by inflation" (*Sun-Times*) or were "suffering even more in loss of income" [than the poor] (*Wall Street Journal*). One Washington newspaper correspondent called Greenspan's remark "stupid" on national television.

But if Greenspan's remark was stupid, what of the journalists who reported it? One could ask of them: why has so little effort been expended by journalists (not government committees or foundations) to determine on whom the impact of inflation falls, and to what degree? Or: which journalist last examined the effect of inflation—as distinct from that of naturally-depressed markets—on the incomes of stock brokers? Why is there so little time for this kind of reporting, one might ask, and so much time to report the latest observation of Senator Kennedy, who said at the conference: "We need positive action and vigorous leadership now." ?

But there is a deeper problem that goes to the concept of news itself. Journalism is a craft that thrives on conferences, asides, charges and countercharges—in short, on the subjective comments of others. News seems to be nothing more than "something new" (Edith Efron) or "what I say it is" (David Brinkley), and with little protest. It is as if a physician were to define a healthy person as "when I say he is healthy."

If news were nothing more than "something new," there would be no such commodity and no newspapers. The desire for news indicates that it is something distinct and defined. I believe it is *a change in the status quo that can be independently verified to some degree by a journalist.* If I am right, there is a deeper problem in the Greenspan episode than simple journalistic misparaphrasing. The question should be raised: are symbolic conferences and economists' asides *news,* or merely one piece of a story—the effect of inflation, the Ford Administration's plans to deal with inflation, the effect of cutbacks in social service grants, the plight of the stock broker—that may or may not be news? To answer that question, one has to step back and look at journalism in context.

TRADITION

The more things change, the more journalism remains the same. In the newsroom, most print journalists are still using pen and paper to do what tape recorders could do more quickly and accurately. They are still chasing fires and politicians. The end product—news—has never undergone any kind of thorough examination, and no one knows exactly why political speeches get covered and technological advances do not. News still is: what happened today, usually in government, or the courts, and usually fed to journalists through press conferences or official statements of approved sources.

No one seems to be satisfied with this arrangement. The local and national journalism reviews, a sounding board for complaints, are filled with carping about it. After all, what value is there in reporting in detail what television performers ("electronic journalists") have captured inevitably in greater detail and without the tedious and often useless "backgrounding" that print journalists offer?

The central function of a journalist is to decide what is news, and which details about the news get through the "gate" of editorial judgment. Because of their aphilosophy about news, journalists are never fully able to satisfy this "gatekeeper" function. They don't know when to open the gate, and when to keep it shut. They don't know how long to keep it open. What results is false news, pseudo-news, news-today that is contradicted by news-tomorrow, or news that is long but incomplete, raising more questions than it answers.

Journalists will never solve their problems until they begin thinking outside the square of tradition. The craft lacks an essential element which makes "gatekeeping" possible, and without which that metaphor is empty: *foreground.* Which means: what is to happen when the news—the change in the status quo which journalists are supposed to search out and verify—graduates from gossip to information? Foreground (not to be confused with "nearness," but contrasted with "background") provides the evidence which journalists and editors need to decide what deserves coverage, noncoverage, and mere attention. Foreground is necessary in order for a journalist to make editorial judgments—is it news? what kind? how important? how much?—and not necessarily for presentation in the story. Without foreground, sociologist Robert E. Park's 50-year-old judgment about newspapers remains correct: "The first newspapers were simply devices for organizing gossip," he said, "and that, to a greater or less extent, they have remained."

"UNPRECEDENTED"

One looks back with embarrassment at some of the inflated coverage and distorted conclusions of journalists—but there is also compassion. Journalists are operating in a Now universe, where they are required to make midstream judgments about events or issues that have not yet generated sufficient evidence for those judgments. What is the importance, beyond the moment, of Vice President Spiro Agnew's resignation? Thomas Eagleton's? Of the Pentagon Papers?

Clifford Irving? The meat boycott? The Peace Corps? Bridey Murphy? Sherman Adams? The Atlantic Charter? All of these go through the editorial meat-grinder and all come out looking . . . *alike.* What results is a grab-bag of uncorroborated detail wrapped together with important words like "unprecedented" or "historic." But how is a journalist to know that much of this is public relations trivia? The answer is: he couldn't possibly know. Without foreground, without information, without evidence—there is no news because there is no way to judge its credibility (i.e. relationship to truth). It can't be news until you have evidence. *It isn't news until it has foreground.*

It is this process—requiring that "news" be published before there can be news—which historian David B. Fischer tries to describe in his book, *Historians' Fallacies,* when he writes:

> "Academic historians are often contemptuous of the historical interpretations of journalists and properly so. Those failings are attributable not to the cultural barbarism of the fourth estate, but rather to the scheme of periodization which is forced upon it. Time, for a newspaperman, is measured in intervals between editions. His often desperate effort to find some significant happening in each of these periods explains his shallowness, rather than ignorance or illiteracy or the company he keeps."

The process of publishing "news" before it is news, or of publishing items as news, is repeated, because current news standards require its repetition and bind the daily journalist to it.

EFFECTS

That is the real lesson of the Greenspan episode. Reporters were sent to the meeting to shed some light on the effect planned cuts in social service, health and education expenditures by President Ford would have on these fields. They came away with subjective opinions from self-serving lobbyists and politicians, and with a misinterpreted aside about stock brokers. But even if both these elements had not been present, and the meeting were more than a crude attempt to symbolize an "open" Administration, journalists could not have had enough information about any changes in the status quo on the basis of one meeting. As a matter of fact, without foreground, without information to-come, there is no way to tell if the undetermined cuts would have much effect at all.

For example: the Pentagon Papers. On June 30, 1971, the *New York Times* and *Washington Post* devoted much of their dwindling paper supply to the "historic" decision of the Supreme Court, which revoked restraining orders against the two papers for publishing selected portions of "History of U.S. Decision-Making Process in Vietnam Policy."

Later, as the "emotional heat of victory receded with the cool light of reason," according to lawyer-journalist Jack C. Landau, writing in *The Quill* magazine, the decision would be seen as one in which the government failed to substantiate its case that the "national security" was endangered by publication of the documents. Subsequent analyses put the decision in an even dimmer light. Many of the facts which would have enlightened as to what the government meant by "national security" are "forever sealed in secret briefs and transcripts of closed hearings" says Landau. Because of this, and the fact that no light was shed on what burden-of-proof standards are required for government attorneys to prove their case, not one guideline emerged for the Pentagon Papers decision that will influence future cases.

"If news were nothing more than 'something new,' there would be no such commodity and no newspapers."

The decision was "historic" only in the sense that it occurred in the past—but it will have minimal influence on history or the future. There is not even the saving grace of intense public interest in the Papers; as a matter of fact, Edwin Diamond's look-back at the Pentagon Paper's around the first anniversary of the decision, reveals a short memory for such an "historic" event.

Writes Diamond—"A year ago, the newspapers and the television were full of the big Pentagon Papers case with its weighty issues of secrecy, morality and the First Amendment and freedom of the press. But when the jury was being selected a few weeks ago for the Los Angeles trial of Daniel Ellsberg and Anthony Russo, the lawyers had no trouble finding 'pure' jurors: Only one or two of the panel had ever heard of the Pentagon Papers."

SENSATIONALISM

Remember Thomas Eagleton's resignation? The *Chicago Sun-Times* news account reported Sen. Eagleton's "historic withdrawal from the vice presidential race, the first ever (sic)" because of disclosures of previous treatment for mental health problems. The resignation was prompted by Democratic Party candidate George McGovern's judgment that "the issue of Sen. Eagleton's past health has blotted out the war, economics, and other major issues of the campaign." Blotted out? In the media, of course. Reams of copy, dripping with background, forecasts, and stumbling over each other with duplicate "leaks" [see *New York Times,* Aug. 2, 1972] were all based on a

prejudgment that could have been substantiated only by still-unavailable evidence. Today, it is doubtful that Eagleton's presence on the Democratic ticket would have helped McGovern much. But Diamond points out: "Certainly there was a real story, somewhere, under all the layers of media events. But the key questions—is depression like the flu, or are people susceptible again like heart-attack victims? Was Sen. Eagleton's real illness his ambition?—were never properly answered. Instead, the public was treated to nose-counting (is he hurting the ticket?) and scapegoating (who goofed on the McGovern staff?)."

"Journalists will never solve their problems until they begin thinking outside the square of tradition."

Forecasting future importance, without evidence, and then using this as the rationale for extensive news coverage, has been described by historian Fischer as the "prodigious fallacy." This is the error of mistaking *sensation* for *significance.* Fischer writes:

> "Today, this form of error is widely disseminated by the mass-media. Journalists use the word 'historic' to describe earthquakes, hurricanes, five-alarm fires, floods, state funerals, typhoons, train wrecks, quintuplets, transatlantic canoe trips, and other curiosities or catastrophies which are chiefly remarkable for the fortunate fact that they rarely occur, or for the unfortunate fact that they occur at all."

Fischer points to Vietnam war coverage as a case of journalists attempting to differentiate one military operation from another, essentially similar one. "One expects to see this sort of thing on the sports page, where history is made by an infield triple, or a one-armed shortstop, or the most Texas-Leaguers in a ten-inning game. But somehow it always comes as a surprise to find it on the editorial page of the *New York Times,* where the defection of Stalin's daughter was played up for many months in 1967 as one of the 'historic' events of the century. And it is even more disconcerting to hear a good journalist-turned-historian, William Manchester, saying that 'the abdication of Edward VII ... was the greatest story since the Resurrection.'"

Because news plays itself out, gradually, the journalist must guess at what is important. Because news does not occur daily, but periodically, *the journalist* takes what he can get. The news is determined, not by journalists, but by public relations departments.

"REVOLUTIONS"

Notice how the "revolutions" that had captured the media have disappeared, or now appear reduced in size. The "campus" or "youth" rebellion that had forecasters talking about the "greening" of America has fizzled. Now the "feminist" movement is getting equal attention—even while it is unclear how basic are the changes in male and female attitudes about masculinity and femininity. Most important, the evidence is mixed on male and female attitudes concerning careers (vs. hobbies) for women.

The most publicized—and least questioned—"revolution" is the sexual one, and every newspaper worth its circulation has periodic multi-part series on "teen sex," "college sex," and "swinging singles." After analyzing the circumstantial evidence (open society, acceptance of abortion, rapid change in attitudes about pornography, etc.) for the sexual revolution thesis, and after examining the data on past and present attitudes about the critical factor—pre-marital and nonmarital sexual intercourse and stimulation—the "revolution" falls flat. First, the change in attitudes is not sexually-based, but the product of a gamut of new ideas about the female role, of new technology (the Pill), better education, increasing youth population, new ideals generally, and a new philosophy ("live for the moment"). Nor has any "revolution" occurred: there has been no drastic overthrow of prior mores, but a gradual evolution since the 1920's. And don't look to the campuses for help. According to Charles Winnick, professor of sociology at City University of New York:

> "The studies' findings have followed a somewhat consistent pattern; they suggest that the great increase in nonmarital sex that has been reported in the mass media has not occurred. There has, however, been a genuine liberalization in costume, speech and the arts ... it has no necessary connection with ... coitus or other sexual acts."

What is common to these examples is that journalists are sent "here and there for this and that," in the words of Irving Kristol. They report what they see and hear. Occasionally, they include background in their stories. But they never consider foreground. Many of the errors made by journalists—mistaking change for crisis, social adjustments for revolutions—are not due to bad reporting, but to standard journalism practice which requires reporters to assess the news value of immediate events without the evidence to do so.

OUT OF CONTROL

With this handicap, journalists are out of control and at the mercy of whoever controls the Moment. This can lead to panic in the streets, or at least at the gasoline pumps, as it did February 1974 in Chicago. During one week many of the problems of traditional

journalism were telescoped into one event—the oil shortage. This is what happened:

A shortage of gasoline for automobiles threatened most of the country, but it was unclear how severe the shortage would be in the Midwest. Service station attendants painted a bleak picture, but the information was mostly anecdotal. Seemingly, journalists had no way to determine the dimensions of Chicago's problem.

But they had Robert Jacobs. Described by one journalist as "fast-talking" and "hyperbolic," Jacobs was an accredited news source because of his position as head of the Illinois Gasoline Dealers Association. Statistics poured out of Jacobs, who predicted that "400, 500, maybe even 800" of the area's 4,900 service stations already were closed due to the gasoline shortage, and that 100 more stations would close *every day* until the shortage let up. Sound fishy? I mean, the difference between 400 and 800 stations closing is 100 percent. But Jacobs said more: "I predict that this coming weekend is going to be the driest weekend in the history of America. By Friday," he said, "everybody will be walking."

True? False? At the time, who knew? But the effects were immediate after the news stories were published—long lines at service stations, blocked traffic and bus stops, and cut-throat competition—among customers!—for gasoline.

Jacobs later admitted to overstatement. The Midwest was not severely short of gasoline. But Jacobs told journalists the problems that week were their fault, and he was right. "I did say all those things," he told the press. "But I just didn't think you guys would spread it all over the front pages."

Obviously, Jacobs doesn't understand journalism as it is practiced today. Nor do journalists, who blunder forward without evidence. There is no stopping them. One month later, following the Jacobs' incident, a Chicago newspaper published a story under the headline: ADLAI SAYS OIL FIRMS, GOP BEHIND ENERGY, ECONOMY ILLS. Sen. Adlai Stevenson III (D-IL) had said in a speech that "The major oil companies threaten to bring down our economic house." True? False? Who knew?

With hindsight, we now can say that the impact of the oil shortage—and whether it would "bring down our economic house"—was overestimated. Economists formerly had no clear picture of price elasticity of demand for gasoline. Later developments seem to show that the shortage caused a decrease in 1974 demand, even with five percent more automobiles on the road than in 1973. Furthermore this decrease in demand was a worldwide phenomena. In the U.S., it brought the return of gasoline "price wars" among independent and major oil dealers—a "war" many were saying was in our past for good.

The role of the journalists in all this is to report verifiable changes in the status quo—What is the nature of the Arab oil embargo? What are the prospects for finding new sources of oil?—and to close the gate on unverified assertions and predictions about conspiracies to topple the U.S.A. and about permanent crises. Journalists ignore the Communist-conspiracy charges of the John Birch Society; why pay any more attention to Senator Stevenson?

And why publish stories about the effect of the oil shortage when the information behind such stories can only be available later, in the foreground of current events? For example, if a journalist were to write now about the oil shortage's impact, he would have available new information about price elasticity of demand, and about the hazards of "cartelizing" oil supplies by cutting back on supply, as the Arabs have done. In short, journalists could be expected to give an accurate picture of the problem. My guess is that they would find that there is no energy crisis, but rather a temporary oil shortage caused by a cartel and by a long history of government controls in the U.S. that have combined to keep the price of oil artificially high and the supply of oil artificially low.

POLITICAL PATSY

Most other interpretations of the function of journalism make the reporter a patsy for politicians, who are beginning to recognize standard ways of using the press for their advantage. The press conferences, with for-background-only, not-for-attribution and other rules, end up making journalists instruments of government. Trial balloons are now commonplace. When a President wants to gauge the public reaction to a proposal before he proposes it, he "leaks" the information to the press, where it is dutifully reported. Polls are taken, newspaper editorials analyzed, and then the real decision is made.

A more sophisticated technique is the Conference-Document Syndrome, which never fails. The rule is that the conference is held in secret, between representatives of the "Superpowers." But secrecy is not absolutely essential. The point is that the conference—or "summit"—is attended by Important People (preferably "heads of state"), and that journalists do not hear the deliberations, which are followed by an "historical document."

The journalist's response to all this is predictable. He jumps at the historical moment, writes a "major news story," followed by "interpretations" and assessments of it all, but with very little evidence to support any of the statements. Partly this is due to the fact that the purpose of the document is not the stated one, which becomes clear later on.

In 1941, this Syndrome was perfected by a Democratic President who was setting the stage for U.S. entry into World War II. When the American people first learned that their President had been at sea for 11 days, and as a major European war raged and rumors were spreading that the United States was about to join in the war, the Atlantic Charter was announced.

The Charter was a joint declaration, issued by Franklin Roosevelt, President of the United States,

and Winston Churchill, Prime Minister of Great Britain. It consisted of eight points, called "common principles in the national policies of their respective countries" which were to guide the world "after the final destruction of the Nazi tyranny." It called for an end to all aggrandizement, "territorial or other"; self-destiny for all countries; equal access to trade and raw materials; collaboration among all nations for improved standards of living; peace in secure boundaries and unhindered sea and ocean travel, and "abandonment of the use of force"—a plea for disarmament.

The American press, which was not allowed on board the cruiser *Augusta,* where the conference took place, was no less enthusiastic. The *New York Times* editorialized: "This is the end of isolation . . . the beginning of a new era." *Time* magazine wrote—a little less certainly, since Roosevelt had not yet released all the information about the document—"At that meeting—if it was held—the strategy of winning the war for democracy was born."

On examination of the Charter, however, the event to which Americans were deprived of "thrilling" turned out to be a dud. Even those who believed the Charter was an important document agreed that it contained many ambiguities, which there was little time for journalists to assess. Afterwards, a British Lord urged that a commission be established in Great Britain to discuss "implications of the Atlantic Charter," and said: "The people want to know how these promises are to be implemented. They are apt to look askance at slogans and declarations unless they are told how these things are to be accomplished."

A year later, on the anniversary of the Charter, the *New York Times* began to hedge:

> "Those who wish may still quibble as to the exact meaning of certain phrases [in the Charter]. It may be as different after this war as it was in 1919 to draw a map of Poland, Czechoslovakia or Austria in accordance with 'the freely expressed wishes of the people concerned.' It will be hardly expedient to permit the people of Germany a Nazi form of government in the unlikely event that they would willingly choose it. Our own tariff system and the British perference system do not jibe with 'access on equal terms to the trade and raw materials of the world.' . . . This would mean a departure from the principles agreed upon in the Atlantic Charter."

To a journalist, the Atlantic Charter was simply . . . the Atlantic Charter. An event. Important people. A statement. Yet the impression that now seems clearest (even today the reason for the Charter's existence is not clear) is that the Charter was a medium for one message: that the United States was about to enter the war. H. V. Morton, the British journalist on board at the signing, wrote: "What we had all hoped for, and not, perhaps, entirely subconsciously, was a declaration that America was coming into battle with us." Prime Minister Churchill referred to the Charter as a wartime document. The Charter itself said that its goals were to be put into effect "after the final destruction of the Nazi tyranny." But journalists, working fast on what *seemed* important, were easily thrown off the scent after Roosevelt told them after the conference that the United States was no nearer to war.

RAMPANT APATHY

As a matter of fact, outside of the press, enthusiasm for the Charter was nowhere to be found in the United States. Two national magazines reported no excitement over the Charter in Washington, and one called the reaction "curiously lethargic." The other said: "This nation's morale is classified by highest and best informed officials as being low."

Editorials often provide key information on news judgment between the lines of dull-as-dust prose. On the day the Charter was announced, the *New York Times* expressed its editors' assessment of the Atlantic Charter:

> "The great winds of history blew the two gray ships together in the shadowy lanes of the North Atlantic . . . . It is a joint declaration without precedent in Anglo-American history, made formally by the leaders of the two English-speaking democracies . . . in one of the great crises of history. . . . This is the end of isolation . . . the beginning of a new era."

Just that quickly—even in the world of journalism—the Charter disappeared. Subsequent articles—the few that there were—dealt mainly with conflicting interpretations of the document. Those close to the Charter signing have indicated that they prefer the issue to be dropped from history. Both Elliott and Mrs. Roosevelt, in their books that touch on the Charter, have very little to say about the signing. To this day, the Charter's goals still seem remote. Writing in 1959, George Crocker commented:

> "Two decades have now passed. The Atlantic Charter is seldom spoken of any more. Its very mention is an embarrassment to all who were in any way connected with its spectacular origin or who once glorified its maker. Shy at appearing ludicrous, friendly biographers, and even many historians, are found to skirt around its phrases and avoid serious consideration of it. Schoolteachers and professors have little, if anything, to say about it to their students. A sampling of college students today will disclose that the majority cannot even identify this strange international compact, which at its birth was heralded as one of the most memorable in the history of the world and the beginning of a new

era. Not one in twenty has more than the vaguest knowledge of its contents."

Another assessment—by a journalist of sorts, or at least a person with experience in editing—was made on October 1, 1941, and is startling in its insightful analysis of the Charter's historical significance:

"To brew an Atlantic Charter together is, of course, very simple. Of course, such stupidity shall have validity only for a few years. It shall simply be abolished by the duress of facts."

That was said by Adolph Hitler at a rally in Berlin.

The Atlantic Charter "lesson" has not taken hold on journalists or on the public relations machines that dominate journalism. Historian Daniel Boorstin's description of pseudo-events, which generate pseudo-news, is accurate because news lacks foreground. The Atlantic Charter was a pseudo-event, a "dramatic performance in which 'men in the news' simply act out more or less well their required script." It is "not spontaneous" and often becomes "self-fulfilling prophesy." In short, the Charter is a way to make news by appearing to do something important, because journalists operate without any mechanism that would tell them otherwise.

The lesson has not been lost on politicians. On May 29, 1972, President Richard Nixon and Soviet leader Leonid Brezhnev signed a document called "Basic Principles of Relations Between the United States of America and the Union of Soviet Socialists Republics," which promised that both countries would "seek to promote conditions in which all countries will live in peace." Sound familiar? This signing also received extensive news coverage. One year and six months later, the Soviet-backed Arab countries started war in the Middle East, prompting Theodore Draper to say of the "Basic Principles": "As a compendium of illusions and effusions, it reminds one of the Atlantic Charter."

NEWS COVERAGE

Students of journalism philosophy and practice have tried to correct some of the shortcomings of their craft. At various times, they embrace "interpretative" reporting (analyzing cause-and-effect), "backgrounding" (providing history) and the current fad, "new" journalism (non-evidentiary opinions and doctored stories). By and large, editors have never grappled with the key questions: what is news? what is important and how do we know?

The strategy of journalism practice should be governed by the nature of the product: news. If news is an important change or potential change in the status quo that can be independently verified by journalists (and I have not seen a better definition), then that change must run a certain course in order to provide evidence that it is indeed a change (a new policy, not another governmental "trial balloon"), and that it is important (preparations for war, not mere troop movements). To the extent this must be verified (obviously, weather reports need less verification than pronouncements by a Ralph Nader study group), and to the extent the daily event is part of a larger issue, the item needs time to become *news.* How to determine whether former Vice President Spiro Agnew has broken the law, and how to treat various opinions on the matter, without evidence? How to know whether daily Middle East bluster and troop movements threaten war, or are attempts to satisfy domestic military opinion before sitting down for peace talks, without evidence?

"Journalists are out of control and at the mercy of whoever controls the Moment."

How would foregrounding the news work in the real world of daily journalism? Certainly there would be a danger of ignoring or giving too-brief treatment of important events. In 1903-4, all newspapers, including the local *Dayton Journal,* ignored the Wright brothers' first flight in a powered machine heavier than air (thinking it was no different than previous balloon flights). But what of the standard, breaking news story—such as the Arab-Israeli post-war strategies? This has been one of the most difficult assignments for a good journalist to cover (the bad ones simply report *anything*). Take the period between Nov. 5-9, 1973, a week in which the fighting has stopped, and Henry Kissinger, now U.S. Secretary of State, is jetting back and forth from Egypt to Israel trying to arrange a permanent cease-fire. All the while, both sides are charging the other with engaging in ominous troop movements and sporadic fighting, and both are predicting renewed war.

The *Chicago Sun-Times,* a typical example, gave extensive coverage of these events—lots of backgrounding leading to an impression that war was near again. The headlines were bold: RENEWED WAR IS THREATENED IN MIDEAST (Nov. 5); EGYPT ATTACKS ALONG SUEZ: WAR TALK INCREASES (Nov. 6); ISRAELI FIRST STRIKE TRY AGAINST EGYPT FEARED (Nov. 7). Then, a change: EGYPT AND UNITED STATES RESUMING DIPLOMATIC TIES (Nov. 8), and finally, MIDEAST PLAN—ISRAEL, EGYPT OK 5 POINTS (Nov. 9).

Meanwhile, another newspaper with a different philosophy about journalism, the *Wall Street Journal,* faced the same problem. The editors of the *Journal,* which is no longer a strictly business newspaper but a continuing experiment in objective journalism based on verifiable evidence, have expressed a philosophy which includes foregrounding the news. "It isn't news

we print," one editor has said, "it's information." During that week in November, the layout and focus of the *Journal* directed most of the major stories of the *Sun-Times* to one, two and three paragraph news "briefs" in its page-one "What's News" summary. In that summary, *Journal* editors were also caught short—"New Mideast fighting was threatened" reads a Nov. 5 lead-in; "Israel officials doubted peace is near" reads a Nov. 8 lead.

But in its major news stories, the *Journal* was providing foregrounded "Information" about the Middle East. On Nov. 5, a page-one lead article explained the curious pro-Arab attitudes of prospering Arabs living in Israeli-occupied territory. Two days later, (while the *Sun-Times* preoccupied itself with the cosmetic resumption of diplomatic ties between the U.S. and Egypt), another page-one "leader" explored why AS FIGHTING WANES, SO DOES FERVOR OF AMERICANS IN ISRAEL. In the meantime (Nov. 7), editorial page columnist Vermont Royster provided interpretation ("as matters now stand, the only potential winner discernible is the Soviet Union"), and on Nov. 6, correspondent Ray Vicker covered AN ARAB OIL SQUEEZE THAT WORKS (explaining the mechanics of the oil embargo and how American oil companies "help" by providing oil shipment records to the Arabs to insure the boycott's success, and to avoid blacklisting by the Arabs).

Of course, in the following weeks, the Nov. 9 "peace plan" would be given full news treatment by the *Journal,* but in the meantime, one can ask: were *Journal* readers misled or shortchanged about news occurring during that week? Does a philosophy of waiting for evidence before judging news importance aid or hinder the credibility of journalism? Which newspaper, the *Chicago Sun-Times* or *Wall Street Journal,* is credible?

CREDIBILITY

Many who think about daily, print journalism are aware that its main problem is its biggest selling point: credibility. And they also agree with sociologist and political advisor Ben Wattenberg that the cause of the problem does not rest in the personalities or political affiliations of the journalists, but in the mechanics of daily reporting, mechanics which are a function of philosophy. Says Wattenberg: "Everybody that I've known who has ever worked on a political campaign—right, left or center—comes up with the same basic viewpoint—that what you read in the media isn't what's happening. It's a fairy tale. It's distorted. I think most of us know members of the press who are good, honest, loyal, wonderful people, but there's something in the mechanism of having to write a story, of having to file daily, of having to find news where sometimes there may not be very much news, that produces a picture for the public that does not coincide with the reality of either the candidate or the campaign."

The only way out is for journalists to make *evidence*—not personal confiction, ideology or conventional wisdom—the base for all news judgments, including the most important one: what is news? News begins and ends with evidence, and foregrounding the news consists of withholding news judgment until sufficient, verifiable evidence is available to order to make judgments on the basis of what is known to be the case. Even if this means that journalists must accumulate their own statistics on such complex, developing stories as the "benefits" of urban renewal or what the general black population—not its "leaders"—really want, the success of the *Wall Street Journal* is reason to believe that the rewards are worth the effort.

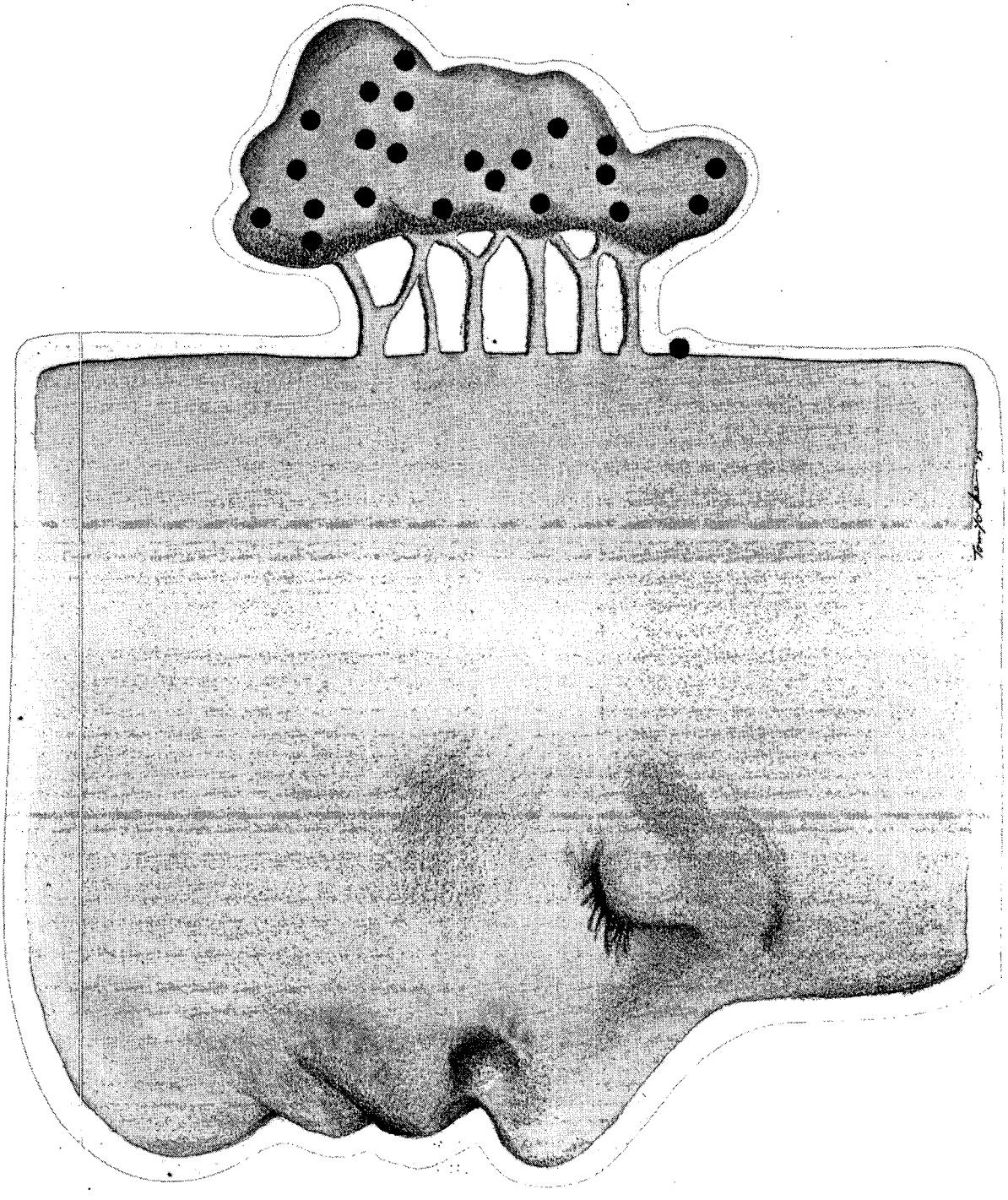
In arguing for journalists' undertaking such "systematic, fact-finding efforts," Knight Newspaper national correspondent Phillip Meyer writes in "Precision Journalism": "Such a suggestion may seem to be a plea for a reactionary return to the old ideal of objectivity, but it has this difference: instead of reporting competing viewpoints for what they are worth, we could make an effort to determine just what they are worth. It is not necessary to turn our backs on interpretation. It is necessary to reduce the size of the leap from fact to interpretation, and to find a more solid base of fact from which to leap."

Meyer's own reporting is a good example of this principle. When most journalists were reporting windy, nonevidentiary (and usually positive, though not always) opinions about the "war on poverty" programs, Meyer was examining the evidence available on the effectiveness of the poverty programs, and reporting that the goals of the Job Corps programs were becoming more difficult to accomplish and more expensive than anyone had planned, and that Head Start, the most popular poverty program, was not showing itself to be effective in any long-term sense. The stories were based, not on personal conviction, but on cited research. And they were written, not in 1964 when the "war" was declared, but many years later when students of the program had an opportunity to assess it.

Meyer's position is really a re-statement of H. L. Mencken's old essay on "Journalism in America." Most news stories, said Mencken, comes from press agents, and the "machinery for scrutinizing it is lamentably defective." This "stuff," he wrote, is "quasi-news," and "half-baked and still-dubious news" which "ought to be clearly differentiated from news that, by an overwhelming probability, is true." Such a policy "may result in less news in the papers, but it will at least have the merit of being true."

In some minds, no doubt the question remains: but how do editors *know* (i.e. have absolute knowledge about) what is news? Listen carefully: The answer is: they don't, but they make judgments about importance based on evidence which they have verified and which is often available only in the "foreground" of events. ◻

the FREE MIND & the FREE MARKET



Edith Efron

I am going to present a long quotation from an article I wrote in *TV Guide* several years ago, and I ask you to read it with full use of your visual imagination:

"The closed-circuit TV cameras are rolling. An executive of a great industrial empire stands in a studio, sweating slightly, and trying to control his temper as a hostile reporter barks at him: 'Why is your company spewing filth into our air? . . . When are you going to stop poisoning our rivers? . . . Why aren't you hiring more blacks? . . . Why don't you have a woman on your board of directors? . . . You've just fired 500 workers—what are they supposed to do—starve?'

"The perspiring executive hardly has a chance to open his mouth. He reaches for the mike to answer, and it's rudely yanked away from him. He starts to speak; he is interrupted. When he does get a word in edgewise, the reporter challenges his facts, questions his veracity, impugns his motives, jeers, sneers, suggests that he is a menace to the city, the state, to America, the human race, and to the planet.

"Antagonized beyond endurance, the corporate chieftain suddenly blows up. His language is strong. A roar of sympathetic laughter fills the room—coming from a dozen fellow executives who constitute the 'studio audience.'

"This is a typical TV role-playing session run by a management consultant's firm for industrial clients. Thousands of such sessions are being conducted all over the country, with pseudo-reporters harrying big businessmen much as picadors and matadors harry bulls. It is the price being paid today for learning how to cope with the TV reporter."

This article continues by explaining the reasons for this curiously self-torturing process. They are two, as given by both the management consultants' firms and their clients. These training sessions are organized: (1) to teach businessmen how to get the business side of the story on the air; and (2) to teach them how to cope psychologically with and surmount the hostile bias of the nation's reporters. The premise of this entire educational operation is that newsmen in general, and TV newsmen in particular, can be expected to be immensely antagonistic to businessmen, and to behave in ways which actively prevent the business side of the story either from getting on the air at all, or from getting on the air in any form that might be described as favorable to business interests.

THE MOTIVES

The management consultants teach their clients to keep cool in the face of outrageous provocation, to deal with malicious distortion, and to wrest the initiative away from the hostile reporter. One such consultant, Thomas J. Deegan, advisor to chief executives of such companies as Union Oil, told me that he tries to educate his clients to what he believes to be the motives of such hostile reporters. He says: "Corporate leaders, brilliant guys who run empires, are often terribly naive about the kind of motives involved in these attacks: petty malice, exhibitionism, a desire to topple the mighty. Men of proud leadership are frequently unaware of the small motives of lesser people. I've seen this all my life. I try to alert my clients to these motives."

But the motive of which all such consultants firms are overwhelmingly aware, above all, is ideological: it is hostility to business, to capitalism itself. It is the anticapitalist bias of American newsmen, they universally report, which has rendered it necessary for businessmen to pay huge fees to learn a kind of intellectual arm-wrestling in order to get the business side of the story on the air, to learn how to cope with verbal guerrilla warfare on the nation's airwaves.

If you knew nothing else about television news but this—the fact that sophisticated big business executives are going to such training schools—that alone would tell you that there was severe anti-business bias on the nation's airwaves. But such indirect deduction is not necessary. There is no intellectual—indeed, no intelligent—businessman alive today who is not directly aware of the problem. Certainly no one who has lived through the recent hysterical and hostile coverage of the energy crisis can be unaware of the frantic demands for more and more regulation of business by the state—coming in a chorus from TV newsmen. The very fact that the oil companies have had to spend fortunes in advertising to get their side of the story heard tells it all.

By contrast, the New Left movements of 1968, the Black Power movement, the Stop Growth movement, the hysterical ecology movement did not have to advertise to get their stories on the air. Their opinions—all anticapitalist in orientation—have roared through the television system like an ideological Niagara for years. The bias is gross and visible. Just recently, before his death, newsman Chet Huntley—having safely retired from television news—wrote an article in the *Wall Street Journal* discussing and analyzing this antibusiness bias of his colleagues. The antagonism to capitalism on the nation's airwaves, the

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Edith Efron is a journalist with 30 years of professional experience. A graduate of the Columbia School of Journalism, she has been a staff writer for The New York Times Magazine; *a reporter for* Time-Life; *Managing Editor of Special Editorial Departments of* Look; *as well as a free lance writer for several national magazines. Miss Efron, as media critic, contributes regularly to* TV Guide's *weekly critique of network news, called "News Watch." She was a media critic for Public Broadcasting Radio in 1972. Her books include* The News Twisters *(1971) and* How CBS Tried to Kill a Book *(1972), both published by Nash, L.A. This paper was delivered at Pepperdine University's Business-Education-Media Seminar and is printed here with permission from Pepperdine University, Malibu, CA.*

deeply entrenched prejudice in favor of state control over the productive machinery of the nation, is not a subjective assessment. It is a hard cultural fact.

And the strangest single aspect of this phenomenon, bar none, is this: that one group in society, and one alone, supports, and gives potency to this massive, consistent, communications assault on the freedom of the American businessman—and that is: Big Business itself. It is Big Business that finances television. Without the money from Big Business, no such nation-wide assault could take place. We are looking here at a complex interaction that can only be described as suicidal: U.S. capitalism is systematically financing its own destroyers.

CORROSION OF THE FIRST AMENDMENT

Now, I ask you, for a moment, to wrench your minds away from this strange self-destructive drama, to examine what is happening on quite another battle-front of our society. And that is the growing battle between the newsmen themselves and the government—under the general title of the battle to preserve the First Amendment. Again, I need hardly tell you, that for some years now, it has become apparent—particularly in broadcasting—that the Constitutional guarantee of freedom of the press has undergone serious corrosion. Indeed, we have heard a constant, frantic, almost frenzied cry from American newsmen to that effect. And however politicized, or exaggerated, that cry may have been—no one who has followed the news even casually can fail to know that the news world, in particular the broadcasting world, has become increasingly affected by the heavy hand of the State. Broadcasting is regulated to the teeth: its content is determined, influenced by, interfered with by a frightening number of agencies of the state: by Committees of the House of Representatives; by Committees of the Senate; by the Federal Communications Commission; by the Justice Department; by the Executive Office of Telecommunications Policy; by States Human Rights agencies; and by Equal Employment Agencies; and by every layer of the judiciary system up to the Supreme Court of the United States—each of these state agencies constantly spawning new rules and regulations to govern the conduct of this communications system. The interference by the State grows geometrically—it proliferates like a cancer, and the distress of newsmen has grown in recent years until it has reached a cry of keening agony.

And the strangest single aspect of *this* phenomenon, bar none, is that the men who are most in anguish over this development, the men who see in it the greatest possible threat to their own liberty and to the liberty of the United States, are the very same men who are beating businessmen over the head . . . who demand incessant government regulation of business . . . who lionize all antibusiness factions in this country . . . who are ideologically so set against capitalism, and so set in favor of government controls, that their bias has generated the defensive training schools for businessmen that I described above.

The incredible fact is that both newsmen and businessmen share the identical problem, the identical danger, the identical enemy—interference and control by the State—but do not seem to know it. And I should like today, to discuss what it is, in principle, that these two groups generally fail to understand . . . why they fail to understand it . . . and what, if anything, can be done about it.

To state it in its most abstract form—what is not being grasped here by most members of either group is a particular principle: the fact that liberty and private property are inextricably linked—that one cannot exist without the other . . . or, more broadly still: that intellectual and political freedom and capitalism are inextricably linked—and that if you destroy capitalism, you will inexorably destroy intellectual and political freedom.

What is this intimate link between the free mind and the free market? How do they work to reinforce each other? And what happens when you drive them apart? The simplest way to explain it is to describe the actual mechanics of the First Amendment itself—because that is the Constitutional provision which is explicitly directed towards the protection of the free mind—and explicitly forbids the State to abridge that freedom—formulated as "freedom of speech and of the press." And I am going to start at the absolute beginning of the process, at its very root—which is to say: the human mind.

FIRST, THE MIND

So, consider, please, for just a moment, the human mind itself. Barring mental disease or damage, the human mind is man's faculty of reason. That faculty is centered in the brain, and its functions are entirely invisible: they take place within the head—inside the skull. Unless they are externalized in the form of speech, or symbolic communication such as writing (artistic or scientific), photographs, or art—there is no way to know what the invisible mental processes *are,* or even to know that they are taking place. You can put a human being in prison—lock him up behind bars for his total life—and you cannot know what he is thinking—or stop him from thinking. The only way to interfere with this thinking process is to chop off his head, or administer drugs, or to use force of some kind. By its nature, internal thought, *reason,* is free, it is *literally* an inalienable right. It does not need a First Amendment to protect it. It cannot be regulated by the State. It is totally autonomous, totally self-regulated, totally private. Indeed, *there is no form of private property more absolute than the ownership of one's own thoughts.*

The problem of intellectual rights, of intellectual freedom—meaning the problem of protection of the mind from coercion—starts, then, only when human thought is externalized—when that thought is put out

into the world for the consideration of other men. It is then, immediately, as history tells us, that the struggle for intellectual freedom starts.

The simplest external expression of thought, of course, is speech—and historically, the foes of free speech have, in their various areas, been the Church and the State—each seeking to inhibit and silence the types of speech seen as contesting or threatening their beliefs and power. This pattern has been disastrously uniform in human history. There have been incredibly few free countries in the history of the human race, and, significantly, all of them 19th century mutants—newly capitalist countries clustered in northwestern Europe, and in continental North America. In those few capitalist countries so long, that is, as they remained dominantly capitalist—speech was almost entirely free—with state interventions being rare, special, and, in our own country, causing an immense uproar when they have occurred. By the very nature of speech, it is necessarily the freest expression of thought. Unless one is prepared to assign a policeman to stand guard over every chattering citizen, it is virtually impossible to police the daily speech of the citizenry. Only in an extreme dictatorship, where the penalty for certain types of speech is imprisonment, torture, and death, can effective intimidation be established—and, as we know, even there the controls are never complete: conversation goes underground, but it goes on. It is impossible to regulate the human whisper.

When it exists at all, really effective coercion of thought primarily takes place in the area of written or symbolic communication—when the thinking process loses its ephemeral quality and is translated into material form ... into the form of newspaper, a magazine, a book, a film, a scientific article, a technological report ... in other words, into a material object which can be reproduced, circulated, and offered for sale to others. This is thought carried to its highest potency—and coercive control by the state of such material manifestations of human thought, is customarily what we call censorship. Effective censorship only occurs when thought actually takes the form of a tangible commodity, a *product,* that is every bit as material, as physical as a bar of soap—or of steel. Only then can the State take effective action: it simply removes the unwanted product from the market place. That is what censorship really means—the state's removal of an intellectual product from the free market by force, or, at a minimum, regulating its nature, and its circulation.

FIRST AMENDMENT DEFINED

To summarize, then: You cannot, you physically cannot, censor thoughts; they are hidden inside the head. You can only *partially* censor speech; speech is too ephemeral and omnipresent for effective control. But you can *absolutely* censor intellectual, scientific and artistic works: because they are *physical commodities,* they are *products.* Thus: their manufacture, distribution and sale can be prevented, either by state confiscation, or by state expropriation, or by state control and regulation of the means of production. When we speak of intellectual freedom in a country, what we really mean is that there is no state interference with the creation, manufacture, distribution, sale or purchase of intellectual *products.*

That is the system assured by the First Amendment of the Constitution of the United States.

Once one understands that it actually applies to intellectual products—to intellectual commodities—one sees quite clearly that the First Amendment quite literally guarantees a free market in the realm of ideas. The free market of ideas is not a metaphor: it is an authentic economic statement. The First Amendment actually protects an entire chain of economic activities. It protects the inventor or creator of the product; the State may not interfere with his mental processes or their translation into symbolic form. It protects the negotiations of the inventor or creator: the State may not interfere with his selling his creation to any businessman—or publisher or film maker—who wishes to manufacture and distribute it. It protects the manufacturers of such intellectual products; the State may not interfere with their choice of the intellectual products they wish to buy, manufacture, and distribute. And it protects the various middle-men—bookstore owners or movie distributors, for example; the State may not interfere with their choice of the intellectual products they wish to sell to the consuming public. Finally, the First Amendment protects the consumer: the State may not interfere with his choice of what intellectual products he wishes to buy, take home, and read—or view in a commercial theatre or moving picture house.

In other words, the First Amendment, applied in its purest form, actually protects the *marketing process* of the intellectual product—starting with its inception all the way through the marketing chain, from creator, to the ultimate consumer. At every step of the chain, the state is powerless to expropriate or regulate. Which is another way of saying that at every step of the chain, property rights are acknowledged as absolute.

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LAISSEZ-FAIRE CAPITALISM

There is a name to this private-property, voluntary marketing system—laissez-faire capitalism. The First Amendment to the Constitution of the United States—when it is working in its purest form—guarantees laissez-faire capitalism to the realm of the intellect.

In fact: intellectual freedom *is* laissez-faire capitalism in the realm of the intellect. That is its real definition. Censorship, whenever it takes place, is the *abridgement* of laissez-faire capitalism in the intellectual realm.

It is not irrelevant or coincidental that universal intellectual freedom was born in the 19th century in capitalist countries of the West. It is an historical development made possible by capitalism alone and inevitably it dies as capitalism dies. Its disappearance under German National Socialism and its reappearance when free enterprise was reintroduced into West Germany is a dramatic laboratory example of the relationship.

Now, notice, please, that under this system, all protection—*all* protection—goes to the *producer.* The entire system is set up so as to protect exclusively freedom of *production,* freedom of the marketing process. There is not a stitch of consumerism in the system. In a pure application of the First Amendment, all that is guaranteed is that the producer of thought, and the means by which he circulates and markets his products, remain immaculately free. And from this exclusive preoccupation with safeguarding producers' rights, emerges a veritable miracle. From it pours forth a flood of newspapers, magazines, poetry, plays, movies, scholarly works, scientific works, technological works, and so on—every conceivable expression of the human mind, representing every known point of view. From it comes the whole, gorgeous, chaotic spectrum of human thought, human inquiry, human discovery, human values. Out it all comes, surging across the continent—simply because there is nothing to impede this free market—for only the State *could* possibly impede it, and the First Amendment has chained up the State. This is the brilliant reward and consequence of chaining up the State and giving absolute protection to intellectual producers—this rich, gaudy, astoundingly varied flood of human thought and creativity, all of it competing freely in the market place for the consumer's attention and his dollar.

In this system, the consumer is not "protected" at all. He has the incredible advantage of being able to wander through this flood of released intellectual, scientific and artistic wealth, to select and purchase what he wants, in accordance with his values, tastes and interests. Period. He may purchase like a sage—or like a fool. Nothing exists to protect him—except a host of voluntary mechanisms, like critics and book clubs, and so on, who make qualitative recommendations which he is free to accept or reject. Under the First Amendment, as written in the Constitution, there is no such thing as intellectual consumerism. The rule, where intellectual freedom is concerned, is Caveat Emptor. All protection goes to the producers of ideas; and rightly so: for without them—those precious innovative few—there is no intellectual life and society stagnates. Period.

Now, that is how laissez-faire capitalism works, in the free market of ideas. Properly understood, it is one of the greatest glories of human history.

FIRST AMENDMENT VIOLATED

It is valuable, against this background, to observe what happens when the State decides to violate the First Amendment, and to interfere with this system. And the most dramatic example of such violation of the First Amendment that we have today, on a grand scale, is: broadcasting. In broadcasting, from the ground up, the system has been totally destroyed; the First Amendment has been violated at every crucial stage of the marketing process. Meaning: whenever the State could theoretically intervene in the chain of production that reaches from the original creator to the ultimate consumer, it has intervened.

The State's chief, and most critical entry point, of course, is on the level of the means of production—which is the essential thing to control, if you wish to control any marketing system. Thus, unlike publishers, who may own and use their own printing presses at will, the broadcasters may not own and use their broadcasting facilities at will. The airwaves are declared to be "publicly owned," which boils down, simply, to ownership by the State. The State then chooses the individuals who will have access to the airwaves, by a licensing system. And the licenses are given out in accordance with standards. The standards, inevitably are content standards, or affect content indirectly. If they were merely competitive economic standards—for instance, the licenses going to the highest bidders in an open market, we'd be right back in the competitive laissez-faire situation again—and that is precisely what is forbidden. So the government—in the person of the FCC, the Congress, the Executive and the Courts, etc.—sets a variety of standards for content and standards for hiring, firing, selling, etc.—that influence content. Centralized, nationwide standards, if you please, with which all broadcasters must comply.

And right away, as if by magic, we have the most extraordinary development in the history of American communications: huge monopoly production centers, churning out an absolutely identical product from coast to coast. And everybody stares at it, month after month, year after year, decade after decade, and wonders why, in this particular medium, we are afflicted with this insane, maddening uniformity, from Maine to California. And idiot philosophers arise to tell us that this is the nature of the medium—that it is the medium that determines the message . . .

And what happens to the creator in this system?

Ask anyone who has ever written for TV, and he'll tell you. He must throw away his individual thoughts, his individual values, his individual views—and he must write to conform to this centralized, mass production machine . . . or he's out. The centralized standards—not his individual creativity—determine the content. The first and permanent casualty is originality, and with it perishes diversity.

And what happens to the consumer in this system? Well—he gets the standardized product, or he turns the set off. Period. He has virtually no choice. The paper-book rack at the corner drug store gives him more brilliant artistic variety than does the tube. And, like artistic diversity, ideological diversity, too, has been slugged on the head—this, of course, being one of the roots of the intransigent bias problem, whereby a relatively small group of men are able to create a uniform political orientation in a mass communications system, to the unending distress of those whose political views clash with theirs. Thus does government intervention work in the broadcasting industry.

In the communications world, television is widely understood to be a pathological medium—the pathology emerging from "the system" itself. What is not widely understood is the flow of that system. Ironically, it is constantly charged with being defective because of private ownership, competition and the "profit motive." In fact, there is scarcely a single problem in this pathological medium which cannot be directly traced to the fact that we do *not* in this area have a privately-owned competitive laissez-faire system.

"THE PUBLIC INTEREST"

And what is the excuse for this catastrophic violation of the First Amendment in our major communications system? *Consumerism,* of course. Originally called "the public interest." The rationalization for every step of the intervention process, from licensing to the setting of program types and standards, to ownership and sales arrangements, to Congressional investigations of the content of plays and of news, to decisions on how many people of the white, yellow, black and brown races should be hired to act and write in commercials, plays and news, to the court decisions as to what political biases may or may not be held by the broadcasters . . . all of this is allegedly in the name of the public which must be protected from . . . from what? From private property and private ownership of the means of production. Translation: from laissez-faire capitalism in the intellectual, artistic, and ideological realms. Translation: from a free market of ideas.

And in broadcasting, the American consumer has certainly been protected from these things—and in the process has been protected from thought itself. Television is the most intellectually barren communications medium in America.

And year after year, decade after decade, the government regulation, as in all industries, has grown more extensive, more penetrating, more detailed, more self-contradictory, more chaotic, until its effects have finally been experienced and grasped in a crudely direct form by the newsmen themselves. And we have heard the cry of agony go keening out in print and over the airwaves: Our press is not free; our intellectual freedom is threatened; our political liberty is threatened.

Of course it is threatened! What did these liberal gentlemen expect when the State choked off private property, forbade absolute ownership of the means of production, and took the privilege unto itself of setting content and employment standards to be obeyed in the intellectual realm?

Well, the strange answer is: the liberal gentlemen didn't expect it. They thought that you could keep intellectual liberty intact, while dragging the State into every area of existence and allowing it to regulate every aspect of human productivity. Well, you can't—neither in the art business nor in the news business, nor in any other kind of business. Production is an act of *mind*—whatever the commodity being produced. Headless men, lobotomized men, morons, mongolian idiots, cannot create and run either great news agencies or Hollywood studios, or giant industries. *All* are creations of intelligence. To dictate how production should be conducted in *any* business is to leash the mind. It is to violate liberty.

But that is a truth that contemporary intellectuals cannot bring themselves to face.

And so we see the authentically weird spectacle of newsmen being strangled by the State and crying out in anguish—while simultaneously they seek by every means to bring in the State to strangle others. We see newsmen who are losing their freedom because they never understood that that freedom was a direct function of capitalism, trying with zeal to finish off what remains of capitalism. And we see this whole insane process being financed by the very capitalists they are strangling—capitalists who themselves do not dare to challenge the theory of government intervention in principle, although they know that every single manifestation of it that they have ever experienced is destructive.

Neither the media nor the businessmen appear to understand today that their problems as producers are identical, that the dangers they face are identical. They do not understand that whenever the individual's freedom of productivity is abrogated or interfered with by the State, freedom as such is diminished. And that the more the State intervenes, the more it is diminished until finally, the creators and producers in both the intellectual and material realms will wake up one day to discover that they have permanently lost their liberty.

THE CRUCIAL PRINCIPLE

This identity of interests, and identity of dangers should, theoretically, cause the media and the busi-

nessmen to be allies in battle. Tragically, however, they are not. The newsmen continue to imagine that you can have intellectual freedom without the free market. The businessmen continue to imagine that you can have the free market without intellectual freedom. Both are actually losing their liberty by virtue of the identical philosophical error—the failure to grasp that the free mind and the free market are mutually dependent and inextricably linked. This is, certainly, a crucial principle—and if one does not understand it, one can and will act as one's own destroyer; and that is clearly what both the media and the business community are doing today. They are jointly committing suicide. And they are taking the entire nation with them.

One might leave it at that—describe it as ignorance—and prescribe massive doses of education as a cure. That is usually what free enterprisers always recommend—and I am no exception. Certainly both newsmen and businessmen show signs of a desperate need of education in economics, and, generally, in libertarian theory. But, somehow, I doubt that book learning alone is the answer, given the particular nature of the business-media suicide pact.

You see, it is an extremely peculiar suicide pact, and surely, of the two partners, the businessmen are more peculiar than the newsmen, since the businessmen are clearly, and often consciously, financing their own attackers. For that matter, newsmen do not exist in a vacuum; without exception they are on the payrolls of business—many of whom are highly distressed by the ideological orientation of their own staffs. In fact, when you examine this suicide pact at very close range—you see that it *really* consists of businessmen paying newsmen salaries to attack business—in a business totally financed by other businesses.

The reasons conventionally given for this situation are very revealing. The employers in the media—the men who own and direct the corporations—will tell you that they do not consider it correct to violate their reporters' intellectual and professional judgments—they see the newsmen's minds as untouchable absolutes. The advertisers in the media, similarly, will tell you that they wouldn't dream of violating the editorial integrity of news departments by lodging protests or making demands—again: because they consider the newsmen's minds and professional judgments to be inviolable absolutes.

What you actually have here, then, is a little nucleus of hostile reportorial minds being treated with immense respect and even fearful reverence, by surrounding rings of potent businessmen. And the strangest thing is that none of these potent businessmen ever consider the fact that they too have minds, that they too make professional judgments, and that their minds and judgments, too, merit immense respect. By implication, they behave as if the free mind and its rights were totally irrelevant to them, to their activities, their interests and their enterprises—as if, somehow, they *had* no minds . . . or, perhaps, more accurately, as if reporter's minds had special rights, and theirs had none.

BUSINESSMEN HAVE RIGHTS TOO

And this suggests that there is a dimension to this problem which is not exclusively economic or philosophical, but psychological as well—in the sense of subjective or introspective. There is good reason to believe that many businessmen do not think of themselves as thinkers—even when they are brilliant men, who spend 18 hours a day thinking their heads off, and, indeed, can think circles around the average hack reporter. Somehow, thinking about the complex area of material production does not, to them, count as thinking. There is also good reason to believe that because of this, many businessmen do not quite grasp that *they* have First Amendment rights—that the scientists and technologists whose work underlies or guides their activities have First Amendment rights—that the protections and guarantees given by the Constitution to free speech and the free press apply directly to them—and that nothing in the First Amendment suggests that one category of intellectual activity must forfeit its rights to another category of intellectual activity. Nowhere does it say that the minds of businessmen are Constitutionally subordinate to the minds of reporters! But businessmen do not seem to know this.

I have thus come to believe that in addition to recommending huge poultices of economics and philosophy, there is a direct and burning need to make businessmen intimately and self-consciously aware that they, too, are men of the mind—perhaps more so, in many cases, than the media people before whom they are shivering in awe, today . . . that objective respect is due in their minds . . . and that their minds are sheltered, too, by the crucial First Amendment to the Constitution. I do not think that a man can *care* about the relationship between the free mind and the free market—if, in some mysterious fashion, he doesn't identify himself as a man who thinks, as a man of ideas, as a man of reason—even when he is such a man.

I believe that businessmen, as a group, must learn to fight for their minds, for their mental rights, so to speak, for their identity as thinkers—as an introspective precondition for tackling the economic-political battle for their freedom. The lethal suicide pact in which they finance their own destruction would not go on for 24 hours, were this lesson learned. Nor, I suspect, would men of great powers have to take lessons in how to deal with hostile, ignorant, pipsqueaks, were this lesson learned. And certainly bosses would not quail before lowly employees, were this lesson learned.

It is a great many years now that brilliant economists have been meeting in conclaves and concluding that further education in economics is the answer to the great mystery of why the American

capitalist is behaving like a Gulliver who perpetually shakes in the knees at the sight of pygmies.

THE ANSWER

Well, economics is one answer. Philosophy is another. But I would like to submit today, that intellectual self-awareness is a third—that it may even be the precondition for the others. I firmly believe that if the American businessman is ever to fight for the free market—he can only do so from an inner fulcrum of respect for his own mind and the proud awareness of its right to be free.

There is clearly a psychological, as well as a philosophical, link between the free mind and the free market—and I think the time has come to explore it.

At the opening of this article, I referred to a management consultant named Thomas J. Deegan—who told me that one of his activities was to educate business and corporate chieftains to the motives of hostile reporters. I'll remind you once again, of what he told me. He said: "Corporate leaders, brilliant guys who run empires, are often terribly naive about the kind of motives involved in these attacks: petty malice, exhibitionism, a desire to topple the mighty. Men of proud leadership are frequently unaware of the small motives of lesser people. I've seen this all my life. I try to alert my clients to these motives."

Well, I'm actually suggesting a corollary to Mr. Deegan's statement. I am saying that corporate leaders, "brilliant guys who run empires," are often terribly naive about their *own* motives—the courage, imagination, and confidence implied in long-range planning; the alert, driving intelligence and the complexity of thought required to run such empires; the strength of character and intellectual self-confidence that underlies that "proud leadership." We have seen this, too, all our lives.

The time has come to render this class of unusual men alert to their own motives—so that they can resist the insolent attacks of petty men who perceive in businessmen only one, ugly motive: blind greed—so that they can reject the artificial mantle of guilt that others would have them wear—so that they can resist the incredible barrage of blackmail to which they are subjected.

For it is the acceptance of that very insolence, that artificial guilt, that blackmail, that has undermined the businessman to the point that he no longer knows his intellectual and moral rights, and no longer defends his Constitutional rights. He must stop accepting it, stop feeling, somehow, that it is legitimate that he be treated as a second class citizen. He must start to experience himself as a first-class citizen, so that he can demand that he be treated as one. There can be no *external* rebellion against injustice—until there has been an *internal* rebellion against it.

It is that very internal rebellion that we must seek to generate before it is too late. ◻

COMING NEXT MONTH

The September issue turns to the subject of human behavior and its relationship to freedom. Dr. Peter Breggin, libertarian, psychiatrist, and outspoken foe of psychosurgery, defines the type of psychiatry he sees as consistent with a free society—one based strictly on voluntary relationships. The role of individualism in combatting the effects of racial collectivism is explained by Anne Wortham, responding to "The Rape of the Black Mind" in our January 1975 issue. In addition, philosopher John Hospers sums up the confrontation between America's two real classes: producers and parasites.

Also in the September issue will be a review of William Rees-Mogg's new book on the gold standard, The Reigning Error, by Charles Curley (author of The Coming Profit in Gold), Tibor Machan's Viewpoint, John Pierce's science fiction column, and all of REASON's regular columns and features.

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foreign correspondent

EXPLAINING ARGENTINA'S DECLINE

Buenos Aires. In previous installments of this column I tried to give REASON readers a picture of what is happening down here, south of Texas and more specifically, for obvious reasons, in Argentina. Now I wish to call your attention to a very good book, *Argentina,* published in English by an Anglo-Saxon author, H. S. Ferns. Although focused on my country, it offers some insights on Latin American history in general.

The author is Professor of Political Science at the University of Birmingham, Great Britain, writer of a superb account of *Britain and Argentina in the 19th Century* (Oxford, 1960) and of a pamphlet called "Towards an Independent University" published by the Center for Independent Education. According to the jacket of the book reviewed, Ferns is "one of the leaders of the movement to establish an independent university free of government subsidies and influence." These credentials offer, I believe, a special interest to libertarian readers. Although Ferns is not a libertarian, there is no doubt where his sympathies are.

The author proposes to show "how a free and prosperous commonwealth went berserk" since "politically independent and economically prosperous, Argentina seemed destined to become one of the richest communities in the world and the leading nation in Latin America." In the opinion of the author, "no country in the world including Great Britain so long practiced liberal economic and commercial policies directed to leaving to market forces the determination of what was produced, who produced it, what was invested and where . . . ." Furthermore, "in its social structure [Argentina] was in practice, if not in theory, more egalitarian and flexible than elsewhere in the Spanish empire."

Then, what happened? Ferns lucidly points out some characteristics which help to explain what went wrong from the very beginning: "[O] ne must bear in mind the vast differences in the political traditions and styles of an English and Spanish descended society; of the subconscious and inherited value systems of communities of which one regards money and business activity as a means to power and prestige and the other regards power and prestige as a means of acquiring money and economic benefits." Then, he proposes another illuminating comparison: "If we can imagine what the United States would have been if the North Americans had attempted to sanction their constitution, organize the Bank of the United States, fight the war of 1812-1814 and work out the effect of Jacksonian democracy all before the year 1793, we can gain some idea of what happened in Argentina between 1821 and 1828. What the North Americans succeeded in doing in half a century, the Argentines were obliged to undertake in less than a decade, and they failed . . . ."

One reason might be that "what the people in Spanish Viceroyalties lacked and the people in the British colonies in North America had, was experience in selecting legislators and making laws which, within limits, ordered the affairs of society. When the authority of the Spanish Crown collapsed, the Latin American communities . . . adopted systems of representation based on election, but these systems were simply ideas and not long-established practices and conventional solutions of basic political problems."

Ferns says that "in their relations with European states, the Argentines resembled the Americans, *except* that in the matter of capital requirements the Americans after their great civil war, were *autonomous or nearly autonomous in their capacity to meet their own capital needs and to produce capital equipment."*

There, precisely, lies the core of the failure. Was Argentina to attempt the autonomous accumulation of capital needed for development or was the nation to tap the pools of capital overseas? Ferns answers again that *"Argentines were not investors in railways or generally in joint-stock enterprises. Their wealth was largely land, and with the prospect of expansion their resources were directed to the acquisition of more land and its development."* The great investments needed in the infrastructure at the time were provided, then, by either foreign capital or state funds, thereby creating two overdimensioned sectors in detriment of the national private one.

In spite of that, the Argentine economy grew enormously, its society modernized, etc. but it was a medium-range sort of success, since its base was a very special set of circumstances, which, when they disappeared, became the origin of the decadence. Ferns tells us that "the Argentine economic order and a large part of its productive mechanism were based on the assumption and on the fact of free, unrestrained and competitive international market. Free trade . . . was not, of course, a universal system, but there was a sufficiently large free market, particularly for foodstuffs, to provide a practical raison d'etre for the Argentine economy. The market for industrial products was less free, but this was of little immediate consequence for Argentina because it was not a producer of industrial products like steel, chemicals and heavy and light engineering . . . . This free and open society lasted from 1852 to 1930. It depended on a conjunction of world circumstances. When these circumstances changed fundamentally, as they did with the catastrophic economic depression of 1929, Argentina was forced to change."

An important aspect covered by Ferns is the subject of U.S.A.-Argentina relationships. He informs us that "until the great depression of 1929, the economic contacts between Argentina and the United States were not as extensive nor as well balanced as they might have been, and this was due to *the unwillingness of Americans to practice the free competition they professed to believe in.* On the plane of politics there was antagonism but not rancour. The Argentines resented the American barriers to trade and resisted the American endeavours to claim and to organize through the Pan American Union the leadership of the U.S.A. in the Americas."

To end this piece, let me supply another excerpt: "An industrial society, whether capitalist, socialist or communist, requires constant attention to renewal, to technological improvement and to expansion, and this involves dividing current production between spendable funds for consumption goods and spendable funds for the renewal of plants and expansion of equipment. If this constant attention is diverted too long and resources are directed too completely to satisfying the desire for immediate consumption, upon conspicuous waste, upon war or the preparation for war, the productive system begins to run down, to become less productive . . . . This happened on a great scale in Argentina during Peron and the nation has yet not recovered . . . . It is not the result of some legacy of terrible poverty and backwardness into the past. This is precisely why Argentina's experience is so important for others. It can happen in Western Europe. It can happen in the United States of America."

N. GUILLERMO MOLINELLI

viewpoint

GETTING DOWN TO THE WELL ON BUSING

Consider the maddening halfway argument on marijuana and its similarity to recent developments on the antibusing front. The "liberated" (but not "radical") line on grass goes: decriminalize its use, yessirree, but retain punishment for its sale, and send the pushers away for life. Or worse.

Have you ever tried growing marijuana? If you've a perfect field with lots of sunlight, or a huge closet fitted out with special lights, and you can recognize a female plant (women's lib take note: male plants just can't do it), and you've studied horticulture long enough to grow orchids in an icebox, you're golden. But if you're a civilian marijuana plant grower? Forget it. For kicks, I tried it one summer down on Cape Cod, in a well-lit window with a big pot, and with the advice and counsel of one of those phases-of-the-moon type fellows, the kind who's got an optimum moon phase for everything. I got four inches on a thin reed, then nowhere.

You just can't grow your own marijuana. So if the state finally goes ahead and decriminalizes marijuana use, without decriminalizing marijuana sale, it means about as much as voting for a constitutional amendment against busing but not voting to get such legislation to the floor of the House, or creating a nationwide antibusing movement without proper leadership.

Which is what this column is all about. Boston's forced busing has proved to be such a disaster, and the threat of it elsewhere is so real, that nationwide attention has focused for months on the Bay State situation. Until now most Massachusetts politicians have hemmed and hawed. Oh just everybody is against busing, all the polls, that is, but they plead impotence in the face of Judge Garrity's abysmal forced busing orders.

Now comes Congressman Thomas P. ("Tip") O'Neill, Majority Leader of the House, who, though representing the "advanced" constituency of Beacon Hill and university-heavy Cambridge, has dropped a bombshell: he has indicated that he will vote for such an amendment to curb that wacky bit of social engineering, but—there's always a fatal but—but our avatar of change and all things good and true says he will not support moves to get the amendment bill out of committee and onto the House floor.

The Majority Leader's position is simple: he's voted for every constitutional amendment reaching the floor since he entered Congress but he'll do nothing to expedite the awesome journey through the bottlenecking committee.

Well, it *is* a break in the ranks. Tip O'Neill's son, wee Tommy O'Neill, the boy lieutenant governor, of whom it is rumored that he has at last found his way from the playpen to his office, parrots our new governor's line. Says Tip's boy child: abolition of busing as a means to integrate schools would "destroy the most viable tool we have right now to implement integration." Pishtush. Busing's precisely the most viable tool to *impede* integration—white flight, the whole ritual jitterbug out to the suburbs. And everybody knows it.

Another break on the antibusing scene was the major rally held in Washington in March. Irony of ironies, the Boston antibusing contingent bused themselves down to Babylon on the Potomac. There they met with busing opponents from other cities, rattled their sabres, and popped up with a first-ever national anti-forced busing leader: Mrs. Louise Day Hicks, of, you guess it, South Boston.

Mrs. Hicks is much maligned by the liberals: she is overweight, underlovely, with a tinny little voice, and she's fought forced busing for years. So she's a "racist," don't you know. She isn't, and in fact she impressed me mightily as an intelligent and courageous woman when I interviewed her long ago. Problem is, she's got no clout outside Boston (she's a city councilwoman), and the national anti-forced busing movement needs a star, a name. So long as the movement remains South Boston controlled, it isn't going to convince America. Now if they can prevail upon Sam Ervin to change his mind, or upon Tip O'Neill to go the whole route . . . . But that's like convincing The Law to go the whole route on marijuana. ◘

David Brudnoy teaches at Harvard University's Institute of Politics. Dr. Brudnoy's Viewpoint appears in this column every third month, alternating with the viewpoints of Murray Rothbard and Tibor Machan.

DAVID BRUDNOY

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trends

FREEDOM FOR BROADCASTING

Support is growing among the public, broadcasters, and Congress to end government control of broadcast content. The Senate recently held four days of hearings on Sen. William Proxmire's bill to repeal the 26-year old Fairness Doctrine which requires broadcasters to present "all sides" of controversial public issues. At the hearings Proxmire pointed out that the argument that government regulation is necessary because of the limited number of broadcasting outlets has been outmoded by technology—e.g., 3100 cable TV systems provide large numbers of channels to eight million subscribers, and the number served keeps growing. Proxmire also pointed out that unregulated newspapers today provide far more diversity of views (via columnists and letters) than regulated broadcasters.

Broadcasters at the hearings cited various examples of ways in which the Fairness Doctrine had been used for political purposes by three recent administrations (Kennedy, Johnson, and Nixon). CBS president Arthur Taylor labeled the Doctrine "a potentially destructive tool," and urged a year's suspension as a test. NBC chairman Julian Goodman noted, "I'm all for fairness; it's government regulation of it that I oppose." In a recent California speech Thomas Sarnoff, an NBC vice-president, stated that the Fairness Doctrine substitutes the judgments of bureaucrats, who grant and withhold broadcast licenses, for those of professional newspeople. He also pointed out that the Doctrine, by giving opposing groups a legal right to charge "unfairness" in court, can lead to costly court battles which discourage broadcasters from airing controversy in the first place—possibly one reason why most TV is so bland. Sarnoff also attacked the government's requirements for "counter-commercials" and its ban on broadcast cigarette commercials as a discriminatory attack on the broadcast industry.

Despite the Proxmire bill, the new outspokenness of broadcasting officials, and a recent Roper poll showing that 80 percent of the public believes government should have no control over TV news programs, the FCC and its political backers (e.g. Sen. John Pastore) are determined to retain their life and death power over broadcasting.

SOURCES:
- "TV's Fair Game," *Newsweek*, May 12, 1975, p. 110.
- "TV Controls Called Threat to Journalism," *Santa Barbara News Press*, May 9, 1975.

VICTIMLESS CRIME PROGRESS

Recent months have seen progress in California in getting the government out of people's private lives. In the area of consensual sexual activity, the California legislature recently passed and Gov. Jerry Brown signed into law a bill removing criminal penalties for all private sexual behavior between consenting adults. The new law thus will end much harassment of homosexuals and will remove the threat of selective enforcement of previous laws against ordinary heterosexual conduct (e.g. oral copulation). Whether the new law decriminalizes prostitution is unclear; a case can be made that the sexual transaction itself is now legal, while the remaining charge of "solicitation" might be fought on grounds of interference with free speech.

In Alameda County (Oakland), enforcement of the law against prostitution was halted in April by a Superior Court injunction. Last February Judge Spurgeon Avakian had ruled that enforcement of the law as then carried out (by plainclothesmen posing as customers) discriminated against women, whereupon Oakland police began using plainclothes female officers to trap male customers. But on April 1 the judge enjoined the police from "engaging in any conversational activity, device or scheme which encourages or aids in the commission of an offense of solicitation . . ." As a result, most enforcement activity has come to a halt, and Oakland prostitutes are largely free to ply their trade.

Another approach to the victimless crime laws is contained in a bill pending in the California legislature. Assemblyman Ken Mead's AB 642 would permit a person charged with prostitution, marijuana possession, or other victimless crime to plead innocent of criminal wrongdoing on grounds that the act neither threatened nor injured another person. Thus, the burden of proof would initially be on the prosecution to produce evidence of injury or threatened injury. This appears to be a useful interim approach, while victimless crime laws remain on the books. In this regard, the ACLU's Deborah Hinkel points out that much of the opposition to prostitution is essentially esthetic. Opponents are "really saying that they see women—usually black women—in their short skirts engaging in conversation with white men on the street. And that's all they see. They're really offended. But in no way does this really harm them. It's just esthetically unpleasing to them." And for this esthetic displeasure, all of us must pay the price of millions of dollars in law enforcement resources, while real crime continues to increase.

SOURCES:
- "Victimless Crimes," *ACLU Open Forum*, April 1975.
- "Oakland Prostitutes Busy as City Appeals Ruling," *Los Angeles Times*, April 28, 1975.

ENERGY DECONTROL

One of economist Frederick Bastiat's most important insights was to point out the difference between what is seen and what is not seen in evaluating government policies. The current controversy over whether to decontrol natural gas prices provides a good illustration. Opponents of decontrol, such as Ralph Nader, Jack Anderson, and the Consumer Federation of America, focus on what is seen—the short-run effect of higher gas prices for consumers. What they evade or ignore is the growing shortage of natural gas caused by price controls, a shortage that will eventually force millions of consumers to switch to much higher-priced oil or electricity, *and* pay several thousand dollars in conversion costs.

It is just such considerations that are causing many in Congress, such as Sen. John Tunney, to favor complete decontrol. Tunney recently opposed a compromise plan approved by the Senate Commerce Committee to decontrol only independent gas producers, arguing that only the major firms have the financial means to expand exploration rapidly enough to curtail shortages; Tunney therefore favors deregulation of all producers. (The partial decontrol bill would allow all but the 23 largest firms to raise the price of new domestic natural gas in interstate commerce from the present 51¢ per thousand cu. ft. to as much as $2.00, approximately the current free market price in the unregulated intrastate market.)

The interstate pipeline industry has now joined the ranks of those urging complete gas price deregulation. Although the industry's growth in the 1950's and 1960's was partly the result of Federal Power Commission price controls (which, by depressing natural gas prices, greatly expanded the market for the pipeline companies), the industry has had to cope with rapidly increasing curtailments of supply since 1970; in 1973 these pipelines were able to purchase only three percent of the 8.6 billion cu. ft. of new onshore gas available (vs. 62 percent of the 12.6 billion cu. ft. available in 1966). The number of curtailments has doubled in each of the past two years. Facts such as this have led the FPC to emerge as one of the strongest advocates of deregulation, thereby "chipping away at its own existence, for its primary function is to

administer controls on the wellhead price of gas destined for interstate pipelines."

While the battle to deregulate gas prices continues, a similar fight to decontrol the price of "old oil"—oil from domestic wells that were in production prior to the 1973 price controls—continues. (Old oil now constitutes 41 percent of U.S. consumption, and is priced at $5.25 per barrel, vs. $12.40 for new oil and imports.) In April the Senate voted to increase the old oil ceiling price to $7.50 for that portion of production resulting from added investment in secondary or tertiary oil-recovery methods—the kinds of investment which are uneconomical at the controlled price. Efforts by Sens. Mike Gravel and Paul Fannin to remove the $5.25 ceiling altogether were defeated. The house Commerce Subcommittee in May approved a decontrol formula for old oil that would eliminate some price controls on passage of a windfall profits tax, rapidly phase out the remaining controls, and allow producers to avoid the new profits tax by reinvesting their increased earnings. At press time, the prospects for old oil decontrol were unclear.

SOURCES:
- "End to Some Gas Controls Voted," *Los Angeles Times,* May 7, 1975.
- "Tunney Defends Stand on Natural Gas," *Ibid.,* May 17, 1975.
- "A Furious Push to Deregulate Gas," *Business Week,* May 19, 1975, p. 91.
- "The Reluctant Regulators," *Ibid.,* p. 94.
- "Senate Votes to Lift Price Ceiling on Some 'Old Oil'," *Washington Post,* April 10, 1975.
- "U.S. Oil Price Decontrol Approved by House Panel," *Los Angeles Times,* May 15, 1975.

MILESTONES

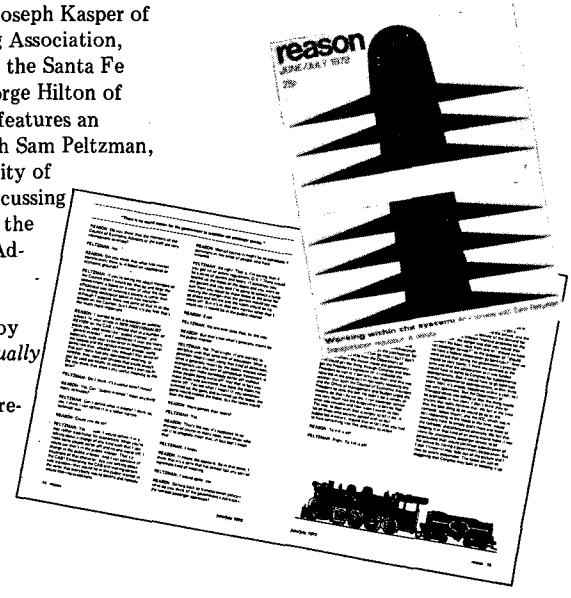
- *Elections.* Nevada is the first state to adopt a provision for "none of the above" as an alternative to the candidates listed on the ballot. A bill by Assemblyman Don Mello, signed into law by Gov. Mike O'Callaghan, would put the "no confidence" provision on the ballot in time for the 1976 elections. (Source: " 'No Confidence' Ballot OK'd," UPI (Carson City), May 7, 1975)
- *Advertising.* California's law prohibiting advertising of prescription drug prices has been declared unconstitutional by a three-judge Federal court. The court held that the law violated the right of free speech, because it "significantly and impermissibly restricts the distribution of the information plaintiffs seek." The court also pointed out that the overturned law had, in effect, banned discounting of prescription drugs, by making it nearly impossible for consumers to learn of such practices. Consumer advocates estimate that price competition will probably lead to net savings of 10 percent of the $430 million that Californians spend each year on prescriptions. The suit challenging the law was supported by a number of organizations, including the California Newspaper Publishers Association. (Source: "Advertising Ban on Prescription Drugs Nullified," *Los Angeles Times,* May 14, 1975.)
- *Ocean Freedom.* The efforts of the U.N. to regulate seabed mining, fishing, and other subjects traditionally handled within the framework of freedom of the seas have gone down to failure again. The most recent session of the U.N. Law of the Sea Conference, this time in Geneva, has ended without accomplishing anything of substance, much like its predecessor in Caracas in 1974. The only result of the conference was an agreement to make yet another try, next year in New York. (Source: "Conference on Sea Law Sinks Again," *Los Angeles Times,* May 10, 1975)

This column reports trends in the advancement of individual liberty and the rediscovery of economic freedom. Readers are invited to submit material of potential interest.

Have You Seen...

JUNE/JULY 1972 $1.00

The current debate on deregulating transportation is anticipated in this issue, which features a three-way debate on the subject among Joseph Kasper of the California Trucking Association, Frederick Pfrommer of the Santa Fe Railway, and Prof. George Hilton of UCLA. The issue also features an exclusive interview with Sam Peltzman, brilliant young University of Chicago economist, discussing his year on the staff of the Council of Economic Advisors and that group's plans for deregulation. Also in the issue are Roy Childs' review of *It Usually Begins with Ayn Rand* and Jeff Riggenbach's review of *A Clockwork Orange* as book and movie.



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book review

GUN CONTROL. By Robert Kukla. Harrisburg, Pa.: Stackpole Books. 1973. 448 pp. $8.95.

Reviewed by ROBERT L. ARCHIBALD

Gun Control is a National Rifle Association's-eye view of recent efforts to eliminate private firearms ownership in America. Author Robert J. Kukla, an NRA Director, is largely successful in his attempts to provide an extensively documented, roughly chronological record of antigun activities and legislation and to argue that the present intent of antigun forces is, indeed, to disarm the American people.

Gun Control covers, in detail, the period from 1963, and the attempts by the late Senator Thomas Dodd to control mail-order handgun sales, through the passage of the euphemistically titled "Omnibus Crime Control and Safe Streets Act of 1968" and, finally, the Gun Control Act of 1968. Kukla's tale of legislative maneuverings and compromise will scarcely surprise today's Watergate-jaded public. But perceptive readers will be appalled at what passes for principled argument, and at the lack of any clear conception of what is at stake in the gun control controversy—on *both* sides.

An impressive collection of statements (one wants to say "threats") from the ACLU, Franklin E. Zimring (coauthor of the antigun "Bible," *Firearms and Violence in American Life*), Carl Bakal, Sen. Edward M. Kennedy, the Illinois Democratic Party, the *New Republic,* and the National Commission on Reform of Federal Criminal Laws (established by Congress during the Johnson administration) thoroughly establishes Kukla's second point. His lesson is clear: we should pay attention to those who say they will disarm us. They mean it.

However, the book is badly flawed. It sprawls, but this may be due more to the nature of the subject than to the author's style. Libertarians may well find Kukla's repetitious right-wing sermonizing tiresome. Moreover, *Gun Control* has *no* table of contents, and the index is hopelessly inadequate.

Because of its rambling structure, *Gun Control* is hard to summarize. It is nevertheless valuable for the light it sheds on the activities and motivations of both sides, and offers many insights of interest to libertarians.

One of the most interesting of the latter is the role played by the domestic firearms industry in antigun legislation. More than a few bills (some passed, some not) have offered market protection against imported arms. U.S. manufacturers have frequently and unobtrusively supported these bills, while touting "America's armed heritage" in their advertisements. The 1968 Omnibus Crime Control and Gun Control Acts, whose anti-imports resulted largely from industry support for earlier bills, has made life difficult for such large and reputable import firms as Browning and Walther, and likely impossible for some smaller firms. (Farewell to the fine little Walther PPK, the favorite of Ian Fleming's "James Bond." The PPK fell victim to dimensional requirements promulgated by the IRS which was designated by Congress to interpret and enforce the 1968 Acts.) Kukla reports these political activities of the domestic firearms manufacturers without comment, appearing to see no harm in them.

Although Kukla does not bring us up to the present, libertarians should note that the U.S. firearms industry and the NRA are currently supporting legislation to ban the so-called "Saturday Night Special" handgun. The chief objections to the SNS seem to be that it is cheap (presenting a considerable market challenge to the domestics), small caliber, compact (easily concealed), and frequently has a die-cast zinc alloy frame, making it possibly less durable than a far more expensive handgun make in the U.S.A. (In the latter consideration, we find antigun sentiment masquerading as consumerism.) The SNS issue is a stalking-horse for the attack on more expensive handguns. Once the SNS is banned, the issues of cost and construction will be conveniently forgotten. Debate over extension of the ban to handguns of longer barrel, larger caliber, etc. will be wasted effort.

If this sounds like the old "slippery slope fallacy," Kukla has another lesson for us. Those who claimed (in 1963) that legislation proposed then was merely a prelude to registration and attempted confiscation were right. The slope has proved to be very slippery, indeed. The 1968 Omnibus Crime Control and Gun Control Acts now require registration of any firearm sold by a licensed dealer. Outright handgun confiscation bills are now in Congress (e.g. Rep. Michael Harrington's H.R. 12727).

Finally, it is discouraging to note the frequency with which the NRA (that all-powerful bastion of the "uncompromising and well-heeled gun lobby") has capitulated and helped write "reasonable" compromise legislation. Now the NRA is throwing the SNS to the wolves in a frantic attempt to forestall further inroads on our right to keep and bear arms. Some people, especially those who rarely think in terms of principles, never learn.

Flawed as it is, *Gun Control* will still provide insights into the running battle over the right to bear arms, and should prove useful to anyone who wishes to join the fight.

Robert L. Archibald is a graduate student in Philosophy at the University of California, Riverside, and a former aerospace engineer. He has been active in opposing gun control legislation for a number of years, and is an Endowment Member of the National Rifle Association.

SDS. By Kirkpatrick Sale. New York: Random House. 1973. 752 pp. $15.00 (hardback), $3.45 (paper).

THE RADICAL PROBE: THE LOGIC OF STUDENT REBELLION. By Michael W. Miles. New York: Atheneum. 1971. 311 pp. $7.95 (hardback), $3.25 (paper).

THE NEW LEFT IN AMERICA: REFORM TO REVOLUTION, 1956-1970. By Edward J. Bacciocco Jr. Stanford: Hoover Institution Press. 1974. 300 pp. $8.95.

Reviewed by BILL EVERS

In the introduction to his 1969 documentary history of the New Left, Massimo Teodori wrote: "If we can, in a single phrase, define the New Left, [it is] the continuing struggle for freedom, which concentrates on those crucial points where antifreedom is most clearly visible in America today." Teodori saw that what was new and distinctive about the New Left was "the strong anti-authoritarian and libertarian tendency" in its practical work.

If we examine the vast amount of information about the New Left that is gathered in the three books reviewed here, we can see that while the New Left of the 1960s had a mixed and evolving nature, still Teodori was right in pointing to its pervasively libertarian character.

The New Left began with a rejection of the Old Left's democratic socialism and of America's Cold War foreign policy by intellectually brilliant student leaders like Tom Hayden, Al Haber, and Paul Potter.

The New Leftists generally agreed (until

the ideological changeover of the late 1960s) with their intellectual mentor C. Wright Mills that "Marx was basically wrong . . . It is obvious that the proletariat doesn't make history, no matter how much you want to stretch the historical facts."

So the New Left did not adopt the working class fetish of most radical movements since Marx. Instead, the New Left in America was critically open-minded and experimental (in its early years) in its search for groups in society that might be constituencies for a movement for revolutionary social change.

It is true that the developing New Left did not have a systematic ideology or a coherent vision of a desirable future society. But the New Left did know what it was *against* in the present society: the draft, imperialist wars, the centralized corporate state, organization men ensconced in bureaucracies, tough-minded technocrats like Robert McNamara, Hubert Humphrey-style social-democrats. This was the enemy, and the New Left called the enemy "corporate liberalism."

What the early New Leftists did have were shared values. Tom Hayden articulated those values in the 1962 SDS manifesto called the Port Huron Statement:

"We regard men as infinitely precious and possessed of unfulfilled capacities for reason, freedom, and love. In affirming these principles, we are aware of countering perhaps the dominant conceptions of man in the twentieth century: that he is a thing to be manipulated, and that he is inherently incapable of directing his own affairs . . .

"Men have unrealized potential for self-cultivation, self-direction, self-understanding, and creativity. It is this potential that we regard as crucial and to which we appeal, not to the human potentiality for violence, unreason, and submission to authority. The goal of man and society should be human independence."

Yet the earliest leaders of SDS, like Hayden, Haber, and Potter, did not break entirely with the social-democratic views of SDS's parent organization, the League for Industrial Democracy. The main organizational thrust of their era of SDS leadership was community-organizing in urban black neighborhoods with the intention of pressuring the War on Poverty bureaucracy and the labor-liberal coalition in the Democratic party. (It is this still essentially Old Left political style that Bacciocco argues the SDS ought to have stuck to.)

But a new trend arose in SDS, sparked by opposition to conscription and to the Vietnam war. It came to the fore in 1965 under the leadership of the "prairie power" group from the Midwest. These leaders (including Carl Oglesby, Greg Calvert, Carl Davidson, and Jeff Shero) were not particularly attuned to the dialectical polemics of Old Left theory.

The spirit of the new breed was activist, and their views were reminiscent of the anti-slavery abolitionists and the turn-of-the-century Anti-Imperialist League that opposed U.S. seizure of the Philippines.

The style and attitudes of the "prairie power" group shaped SDS's two most libertarian years of national leadership; their approach was probably more attractive than Stalinism to the bulk of the rank and file of SDS right until the dissolution of SDS in 1969.

It was Calvert of the "prairie power" group who made the distinction so characteristic of this period in SDS history between a liberal reformist and a radical. A liberal, according to Calvert, is always engaged in fighting someone else's battles, and speaks of social amelioration. But a radical perceives himself as unfree and seeks to unite with others to throw off the burden of oppression.

It was during this period that SDS produced a button reading, "Not With My Life You Don't." Originally, the slogan was meant to refer specifically to the draft, but it was considered by SDS members to reflect their attitude toward the whole American system.

On conscription itself, the SDS of this period took a radically libertarian stance. It adopted a policy stating that "all conscription is coercive and anti-democratic, and that it is used by the United States government to oppress people in the United States and around the world." SDS opposed such draft reforms as a lottery or universal national service.

In 1967, at the close of the "prairie power" period, the national leadership of SDS developed a theory of who was oppressed and exploited in America. This theory, instead of restricting itself in Marxian fashion to blue-collar factory workers, embraced the white-collar middle class as well (people in "technical, clerical, and professional jobs that require educational backgrounds.")

Of this theory, Sale writes: "Here, in theoretical form, with the fillip of a class analysis, was an ideological formulation of considerable power. It explained why the Selective Service was forcing students into nonmilitary jobs valuable for 'the national interest,' it supported Davidson's idea of student power being used to transform the society by transforming the university, and it justified Calvert's instinct that students were right in operating out of the desire for their own freedom." It came to be called the theory of the "new working class."

But this period in SDS was coming to an end. Davidson described the make-up of SDS in February 1967: "We have within our ranks Communists of both varieties, socialists of all sorts, three or four different kinds of anarchists, anarchosyndicalists, syndicalists, social democrats, humanist liberals, a growing number of ex-YAF libertarian laissez-faire capitalists, and, of course, the articulate vanguard of the psychedelic liberation front."

The ideological changeover in the national leadership came in the fall of 1967. (Sale sees it as an evolution; I see it as a radical break. Bacciocco places the switch to Marxism-Leninism too early, in 1965.) The new strategy was to build a revolutionary alliance of youth, poor, and racial minorities.

Davidson junked the new working class theory and student power. The National Office staff turned toward Marxism which was attractive as a full-blown, coherent, integrative option, as Oglesby noted. At the same time, the national leadership turned to Marxism-Leninism partly to better meet the vocal criticism it was receiving in SDS from members of the Progressive Labor Party, a Maoist group of growing strength.

By the fall of 1968, Greg Calvert and Carol Neiman were describing the changeover in bitter terms:

"Sitting in an SDS gathering which had once been a cross between an encounter group and a Quaker meeting, became a hellish agony when intellectualization and parliamentary manipulation had replaced a sharing of experiences and consensus decision-making. The anarchist style of earlier days had, by 1968, been replaced by rigid debates of organized factions who no longer talked about people's feelings and experiences but spoke in the pseudo-scientific language of Marxism-Leninism. It should have been clear to anyone in possession of their instinctual sanity that these Talmudic exchanges, ideological debates, and resolution-passing indicated symptoms of a deep malaise in the body politic of the New Left and were not part of an arena of meaningful confrontation."

It was out of this atmosphere that the present-day splinters of SDS came: the Weather Underground, the Revolutionary Union, the October League, the Progressive Labor Party, the National Caucus of

(concluded on page 43)

• With daring stunt work and well-focused direction, Clint Eastwood turns a routine espionage thriller into high adventure in **THE EIGER SANCTION.** The film, adapted from a novel by Trevanian, portrays Eastwood as Jonathan Hemlock, an art teacher and collector who doubles as an undercover assassin for a mysterious government espionage agency. This agency engages in cynical, manipulative double-dealing (could it be the CIA?), but Eastwood's assignment is the relatively honorable one of avenging the death of a friend. His mission takes him on a mountain climbing expedition in the Swiss Alps, where he must discover which member of the party is the agent for the other side. Capable support is provided by Vonetta McGee as a stewardess with a mission, George Kennedy as a resort owner and Eastwood's trainer, and Jack Cassidy as an evil presence out of Eastwood's past. The screenplay is credited to three writers, and the committee approach tends to flatten out the dialogue and bog down the plot in a few places. The climbing scenes, both in Switzerland and in Monument Valley, Arizona are the most spectacular parts of the movie, enhanced by the fact that Eastwood does all his own stunt work. Although pure fiction, *The Eiger Sanction* has a ring of chilly authenticity because of the recent investigations of the CIA's possible use as an assassination bureau. Evidently the days of "escapist" spy fiction are long gone. Rated "R." **—Charles F. Barr**

• Devotees of the "sewer school of life" will find a bellyful in **THE DAY OF THE LOCUST.** For this latest Hollywood foray into self-flagellation, director John Schlesinger has dredged up a short novel by B-movie writer Nathanael West and attempted to turn it into a statement about life. The result is 143 minutes of aimless depravity and nauseating spectacle, enough to make Schlesinger's earlier *Midnight Cowboy* look like *Pollyanna* by comparison. With two exceptions, the characters are uniformly petty, venal and dull. The exceptions are Donald Sutherland, who plays the ultimate self-effacing boob, and Burgess Meredith, as a pitiful, drunken vaudevillian. Karen Black portrays a seedy, untalented but ambitious bit-player, while William Atherton plays a young, cynical set designer. Short, arbitrary bursts of activity punctuate the film at intervals, noteworthy only because they momentarily relieve the tedium. They include a near-rape at a drunken picnic, a bloody (and real) cockfight, the collapse of a movie set, and a climax of mob violence which includes a child being stomped to death. If *The Day of The Locust* were anything less than a total emotional turn-off, it would be accused of exploiting the very vices it is allegedly attempting to damn. As it stands, the film is simply a horror and freak show, fit only for slummers, masochists and New York critics. Rated "R."**—C.F.B.**

Suspended by his safety line, Clint Eastwood hangs helplessly by the side of a mountain in The Eiger Sanction.

• As luck would have it, **THE RETURN OF THE PINK PANTHER** opened in Los Angeles the same week its illustrious 1963 predecessor, *The Pink Panther,* was shown on local television. The temptation to compare the two movies is of course irresistable, so here goes: As the imbecilic Inspector Clouseau, Peter Sellers plays the character a bit more broadly than before. But if the sequel is less refined than the original, it is also funnier, a comedy of errors rather than a comedy of manners. With indestructible dignity and aplomb, Sellers bumbles his way through Europe in pursuit of a jewel thief. The highlights, better seen than described, include Sellers gluing himself to a chair, driving a car into a swimming pool (twice), burying fingerprints under a bagful of dusting powder, and trading karate chops with his valet. He also affects a fractured French accent which sends his victims up the wall. This time around there are no co-stars of the magnitude of David Niven and Claudia Cardinale, so Sellers has center stage all to himself. Excellent supporting performances include Herbert Lom as his hapless boss, Christopher Plummer as a retired (?) jewel thief, and Catherine Schell as a woman of mystery. The inventive titles feature the Pink Panther (cartoon version) as a succession of old-time movie stars, and are worth staying to see a second time. Rated "G."**—C.F.B.**

• From a libertarian perspective *The French Connection* is perhaps a more significant film than its sequel. The first

film made an important point, probably unintentionally, by forcefully demonstrating the futility and the waste, both in an economic sense and in terms of human degradation, of government's efforts to prohibit the sale and use of narcotics. At the end of the film Charnier, the leader of the heroin network headquartered in Marseilles, mysteriously escapes after having been trapped by the New York police. It turns out that he was able to buy his way to freedom. John Frankenheimer's **FRENCH CONNECTION II** picks up in Marseilles where detective "popeye" Doyle, the paragon of the stupid but honest cop, arrives to continue his pursuit of Charnier. The film has a certain excitement, especially during the last thirty minutes, that is automatically built into any pursuit, but the emphasis is on Doyle himself, and it is not a pleasant experience. The opening scene shows French policemen eviscerating a catch of fish and examining the entrails on a tip that the fish are being used to smuggle narcotics. The information turns out to be bad, but the image is appropriate for the film, which is often physically repellent. In a neat bit of acting, Gene Hackman portrays Doyle as an impulsively brutal and heedless killer operating in a seamy world and driven by his obsession to destroy Charnier, a goal that he finally achieves with his last ounce of strength after what may be the longest foot chase on film. In the process, however, he causes the death of an undercover police agent and burns down a small hotel that houses a number of junkies, without troubling to evacuate it first. Doyle's justification for his methods is that the heroin sold by Charnier has killed more people than his style of enforcing the drug laws. After watching Doyle operate through two films, I find this statistic a little hard to believe. Rated "R."—**James F. Carey**

money $

DAVIS E. KEELER

THE SMALL INVESTOR AS SERF

While we've mentioned the problem before, it never hurts to remember that when inflation is running at 9 percent (the old fashioned, single digit kind), a taxpayer in the 30 percent bracket has to earn 17 percent interest on his money in order to net three percent real earnings after tax.

Unfortunatly, nowhere outside of the loan shark racket can you earn 17 percent interest. It is impossible for a saver under these conditions to earn *any* time interest on his savings. This results, of course, from government controls on the savings rates available to the small saver. These controlled rates, together with progressive tax rates, result in the steady destruction of his capital.

The only avenues open are high risk obligations, in which the return represents payment for risk and not true interest, or equity investments.

But here, too, Big Brother is at work to keep the little guy in his place, through the device of securities regulation.

There are two theories of securities regulation: disclosure and merit. *Disclosure,* which purports to be the theory behind the Federal securities regulation, holds that the investing public is adequately protected if all the relevant information is made available. *Merit* regulation, on the other hand, holds that the public, or some portion thereof, should not be trusted to make intelligent assessments of risk, even if all relevant disclosures have been made, and should be forbidden outright from making certain kinds of investments.

Some jurisdictions have a variant of the merit rule, called the "sophisticated investor rule," which permits these investments to be sold to investors who are thought able, by the securities commission, to manage their own affairs. In practice, "sophisticated" simply means "wealthy," i.e., it is a net worth test. The rest of us are shut out of the market. Merit regulation is the explicit philosophy behind the securities law regulation of several of the states. The practical effect of the merit rule is to keep small investors out of the high risk—and potentially high yield—market for the shares of new, small companies.

This result is not limited to the states having merit regulation. The high costs of registration also serve to deter small, high risk firms from offering their shares on the market at all. If they are to secure financing, they are essentially limited to a private placement, usually with a financial institution or venture capital firm, at terms less favorable than they could have obtained in a share offering on the open market.

While the high cost of compliance with securities regulation restricts the shares offered, it also restricts the competition among brokers. High compliance costs have driven out a large number of small broker-dealers, according to a study by University of Miami law professor James Mofsky.

The benefits to the investor of these substantial restrictions on his investment freedom are open to question. Professor Henry Manne, in his recent book *Wall Street in Transition,* cites a number of empirical economic studies which have sought to measure the benefits of enforced disclosure. Despite the use of elaborate models and analytical techniques, the impression these studies convey is that the investor has not benefitted by this regulation.

The regulators have a particularly bad record of ferretting out evil-doers before they have done their evil. Bushels of regulations did not stop Equity Funding, National Student Marketing, Home-Stake Oil, Bar-Chris, Yale Transport, and Continental Vending.

There is some hope for change. In Florida, a state once proud of its "Little SEC," the work of Professor Mofsky and others has produced a serious effort to get the state out of securities regulation. Mofsky's work has led to the introduction of a bill in the Florida legislature to substantially reduce the state's intervention in the share market. The bill has the backing of the prestigious Florida Law Revision Council.

But in the meantime, the investor without $100,000 chunks of money to invest in the comparatively free market on certificates of deposit, Treasury bills, or commercial paper, or without the connections to get an unregistered private offering, is left to the steady capital erosion of "approved" investments. Or he must take his chances on precious metals plans, real estate, gold coins, collectables or some other relatively free investment market, all of which require some kind of specialized knowledge, present liquidity problems, or require constant tending. He must do all this to keep his capital from being eaten by inflation. In the old days, before the government improved things, you could do the same thing by leaving your money in a savings account and forgetting about it.

AN AFTERTHOUGHT

The foregoing discussion suggests one interesting question: If we are correct in our initial assumption about the need for

subtracting inflation from the nominal rate in order to measure the real rate of return for interest, and if we really have been experiencing double digit (or high single digit) inflation, then why don't the interest rates realized in the comparatively free certificate of deposit, commercial paper, or treasury bill markets reflect this?

If our assumptions are correct, then this means that—for significant periods of time during the past few years—there was little if any real rate of interest being received on the money obligation of *all* investors, big and little alike, and the American economy is experiencing a constant erosion of real capital of major proportions.

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Davis Keeler's Money column alternates monthly in REASON with John J. Pierce's Science Fiction column.

publisher's notes

• **READER SURVEY:** REASON is in the process of conducting a reader survey. Approximately 10 percent of our readers will soon receive a questionnaire in the mail, which asks readers to tell us what you like and dislike about REASON, and to provide additional data about yourselves.

The questionnaire is an important means of getting information to help us evaluate the need for changes in REASON, and to assist us in preparing an up-to-date subscriber "profile" for advertisers. We urge each subscriber receiving a questionnaire to promptly fill it out and return it in the envelope provided. Highlights of the survey will be published in a future issue.

• **REASON INDEX:** We are delighted to see the excellent new *Index to REASON,* published by Loompanics Unlimited. The 28-page publication contains a comprehensive index to the first six volumes of REASON (Spring 1968—April 1975), in a very readable and well laid out format. The professional quality *Index* has a useful introduction, "How To Use the Index," and covers the thousands of entries which have appeared in the first 68 issues of REASON.

The main drawback of the *Index* is its lack of subject index (listings are by issue, title and author), but the diversity of subjects covered in REASON would make a subject index very difficult to compile. We hope the *Index* will be updated and that future editions would correct some minor flaws (the *Index* does not identify REASON's Special Issues and doesn't list titles of REASON interviews, and there are a few typographical errors and omissions).

The *Index* is a valuable, practical tool for everyone interested in the literature of freedom. We highly recommend the *Index,* which is available by sending $4.00 to Loompanics Unlimited, Box 264, Mason, MI 48854.

• **"STEADY AS SHE SINKS":** The April 25 cover story of the British journal, *The Economist,* focused on the sorry plight of the British economy. Entitled "Steady as She Sinks," the April 25 issue was the subject of a well-written editorial in the *Wall Street Journal* (April 29), "Good-Bye, Great Britain," explaining how the British economy is sinking as "the ultimate consequence of the welfare-state-manic-Keynesian syndrome."

On the home front, New York City is approaching the brink, with city and state officials desperately searching for relief from the city's grave financial crisis. With one out of every eight citizens on welfare and the city providing its residents with a vast range of "free" services, plus extravagant salaries and pensions to some 338,000 city employees, New York City has dramatized the consequences of years of rampant welfarism and irresponsible spending. The second-largest government in the U.S., New York City spends far more per capita than any other city—and its taxes are, therefore, higher per capita than anywhere else in the U.S. Perhaps to illustrate a natural affinity between politicians and garbage, the city uses its employees to pick up garbage—at an estimated cost of $45 a ton, compared with the cost of using private companies which do the same job for $22 a ton in San Francisco, $19 a ton in Boston and $18 a ton in Minneapolis.

New York City's financial fate is still in doubt as we go to press, because of its difficulties in raising cash to meet its current bills. From our vantage point in California, we wonder whether New York City and Great Britain will each be able to avert financial disaster, or which of them will be the first to sink.

Hy Rosen—Albany Times-Union, NY

• **COLLECTING BENEFITS BY MAIL:** In discussing New York City's irresponsible spending, it is sad to note that New York State—which is itself hard-pressed for funds—is presently doling out an estimated $3.6 million a week in unemployment insurance benefits to some 50,000 New Yorkers who claim they are "temporarily" living and "looking for work" in other states. According to the director of New York's Unemployment Insurance Division, federal law requires each of the 50 states to permit jobless residents to move to states where the job market may be better, "in line with the American philosophy of the mobility of labor." 12,000 of New York's out-of-state claimants live in Florida (many of them have retired and are not looking for work), while 6,000 live in Puerto Rico and 5,000 in California. At the same time, about 12,000 residents of other states are currently "looking for work" in New York, and are receiving unemployment insurance checks by mail from their home states. Sometimes we wonder . . . ◻

frontlines

SANTA BARBARA LIBERTARIAN ANNOUNCES FOR VEEP SPOT

Jim Trotter, an activist libertarian from Santa Barbara, CA, has announced his intention to seek the **Libertarian Party** nomination for Vice-President. He is the first candidate to announce for the nomination which will be made at the LP national convention in New York City on Labor Day weekend.

V-P hopeful Jim Trotter

Trotter has been involved with community organizing and leftist politics for several years. He was a member of the anarchist faction of Students for a Democratic Society in the late 1960's, and was involved in the Southern California anti-war movement. "I've always been an anarchist in the general sense, but I became an economic libertarian in 1970 when I discovered the *A is A Directory* through an ad in the *Whole Earth Catalog.*" For the last two years Trotter has been selling gold and silver coins, and giving seminars on hard money investment. He is a member of the **Santa Barbara Peace and Freedom Party** and **Libertarian Party,** and is involved with the **University of Calif. at Santa Barbara Society for Individual Liberty.** He was a precinct worker for libertarians **Lynn Kinsky** and **Ruth Sutton's** campaigns for school board early this year. He is an ex-Marine and a member of the **National Rifle Association.**

Trotter says he is running to help the LP appeal to the left wing. "There are a lot of former New-Leftists who feel alienated from the socialist dogmatists; who are looking for something like libertarianism to come along. It just has to be presented in the right way." He says that if he gets the nomination, he wants to do most of his speaking to local groups: libertarian, left-wing, and conservative. He says that the key to organizing any political movement is at the local, grass-roots level. "In order for libertarians to be successful they must concentrate on local organizing. People will more readily listen to a local-based movement than to a national movement."

Anyone who is interested in Trotter's campaign can write to him c/o Santa Barbara Libertarian Party, P.O. Box 6274, Santa Barbara, CA 93111.

HARROFF ANNOUNCES

Kay Harroff has announced her candidacy for the LP nomination for President. She made her announcement June 7 at the **Minnesota LP State Convention.**

Ms. Harroff became active in Republican politics in the early 1950's, read *Atlas Shrugged* in 1960, and founded the Cuyahoga County (Cleveland, OH) Draft Goldwater Committee. After Goldwater's defeat, she left the Republican Party. She joined the LP in 1972, and was founding Chairperson of the **Ohio LP.** In 1974 she ran for U.S. Senator as an independent (due to harsh ballot laws she could not appear as LP) against John Glenn and ran the most active campaign that the LP has had to date, receiving about 80,000 votes. Ms. Harroff was recently elected to the **National Executive Committee** of the LP, and is currently a businesswoman in Cleveland.

Presidential contender Kay Harroff

Ms. Harroff decided to seek the nomination because, "I was concerned that the Libertarian Party put forth candidates with a clear-cut, unique, *libertarian* image. I hope to put to rest, once and for all, that 'conservative' right-wing label the news media have tried to stick on us." She feels that the LP can expand its appeal to groups which only the left has in past appealed to: blacks, chicanos, gays, feminists, prisoners, and students. Many LP leaders had been urging Ms. Harroff to run because of her activism and because she is a woman, as they have observed that women libertarian candidates have done much better than men.

Ms. Harroff is the third declared candidate for the nomination. Others are **Roger Lea MacBride,** the Virginia elector who defected to Hospers for President in 1972, and **Guy Riggs,** a former LP state assembly candidate from Poughkeepsie, NY.

Anyone interested in Ms. Harroff's campaign should contact her at P.O. Box 6176, Cleveland, OH 44101.

SOUTHERN ACTIVITIES

"Frontlines" correspondent Jim Clarkson reports:

The **1975 Southern Libertarian Conference** was held May 3 and 4 in Atlanta, Georgia. The event was co-sponsored by the **Society for Individual Liberty** and the **Georgia Libertarian Party** and was attended by such well-known libertarians as **Don Ernsberger** and **Dave Walter** of SIL and **Roger Lea MacBride** and **Bob Meier** of the LP. About 50 or 60 libertarians from throughout the South attended each session.

The Saturday session began with an audio-visual presentation by SIL about the libertarian movement and the activities of SIL. Morning speakers and topics included: **Dr. S. I. Spector**—"The Specter of Regional Planning," **Dr. R. H. Timberlake**—"Politicization of the Economy" and attorney **McNeill Stokes**—"Guilty Until Proven Innocent under the Occupation Safety and Health Act." Luncheon speaker was holder of the nation's first Chair of Private Enterprise, **Dr. Michael Mescon.** Mescon, also a management consultant, stressed the need to reward achievement.

The afternoon session started with a paper presented by REASON contributor **Dr. P. C. Roberts.** In his paper "The Political Economy of Bureaucratic Imperialism" Roberts pointed out bureaucrats have a vested interest in economic disorder as it leads to the need for more bureaucrats. Roberts suggested the libertarian task was to educate the public to realize that those in government act in their own self-interest just like everyone else.

Dr. Mack Moore of Georgia Tech proved to be the most humorous speaker as he told the audience we would be saved from socialism and communism by fascism—democratic fascism, that is. Speaking of current politics Moore said, "We are now in the promised land where you can be promised anything—just pick your candidate."

James L. Cawdrey discussed a grim subject—"The Real State of the Economy." Cawdrey gave the scenario of monetary actions that have led to the current mess and described the future possibilities. **John Bailey,** Chairman of the **South Florida Libertarian Party** ended the conference with a slide presentation "You are there—the next ten years."

The Banquet that night featured candidate Roger Lea MacBride who told the group that sticking to principle was not only the best moral position but could be good politics also. Also speaking at the Banquet was newly elected Congressman **Larry McDonald.** McDonald, too, called for strong stands on principle but pointed out that the typical voter doesn't have time to listen to a two hour philosophical discussion of each issue, therefore, principles must sometimes be translated into cliches.

Sunday featured workshops: a panel discussion on LP activities led by **Ralph Compton,** Chairman of the Georgia LP with Bob Meier and **Brian Donerly.** Non-libertarian **Martin Klausner** gave a talk on the failure of Social Security and what can be done about it. **Abby Goldsmith** told the group of her success in combatting the educational establishment. **Money International** gave a workshop on hard money investments and Attorney **Robert Clarkson** discussed how to deal with the IRS.

The Conference ended with the promise by Conference Chairman, **Jim Clarkson,** that another conference would be held next year.

RIGGS CANDIDACY

Guy W. Riggs, two-time State Assembly candidate on the **Free Libertarian Party** from Poughkeepsie, NY, has announced his candidacy for the LP nomination for President.

New Yorker Guy Riggs

Riggs, 52, served in the Navy for 10 years before he joined IBM, where he is still employed. He worked for Goldwater in 1964 and was a Republican Committeeman from 1965 to 1967. He ran for State Assembly in 1972 and 1974 on the FLP ticket.

Riggs feels that his candidacy will change politics "by bringing honor and respectability to politics. I would not disparage any political competitor." He says that we can have "politics the libertarian way" which would be consistent with his life style. Riggs says that the Presidential nomination should be a contract, with the candidate as an employee, and is asking for a $35,000 salary as a condition of his nomination.

Anyone who is interested in Riggs campaign may contact him c/o Box 1776, Poughkeepsie, NY 12601.

BALLOT ARGUMENT

Charles Barr, REASON movie reviewer and founder of the **Libertarian Alternative of Los Angeles,** has helped achieve another victory against taxation in L.A. Barr, acting in his position as **Research Director of the Libertarian Party of California,** wrote the ballot argument against school tax increase which was defeated, with 53 percent No votes, in the May 27 election. He had previously achieved success by writing a successful argument against a mass transit tax in L.A. last November. (See "Frontlines," Nov. 74 and Jan. 75)

Barr urges all libertarian groups around the country to submit similar arguments against tax increases and bond measures on local and state ballots as a very effective way of spreading the libertarian message and fighting taxes. Following is the text of the argument submitted by Barr in the May election:

Despite the fact that school enrollment is declining every year, and many families are struggling to make ends meet, the Los Angeles Unified School District is actually attempting to squeeze even more money from the overburdened taxpayer.

There is absolutely no justification for such a tax increase. The Libertarian Party urges you to vote NO on Proposition A.

Sponsors of the tax increase claim that educational programs are suffering because of "inflationary costs." But inflation hurts the taxpayer just as much, if not more.

Government statistics show that for the average taxpayer, HIGHER TAXES are the greatest contributor to the rising cost of living. Proposition A, if passed, will accelerate this trend.

The expense certainly cannot be justified by the quality of education the public schools have to offer. The money raised from Proposition A would be used to maintain a public school system that has become an entrenched bureaucracy, run with all the innovation and efficiency of the Post Office.

Schools are daily becoming more and more crime-ridden, uncomfortable and dangerous—an intolerable situation for students and teachers alike. Even the most poverty-stricken neighborhoods are searching for alternatives to a decaying public school system that has outlived its usefulness.

Rather than throw good money after bad, the Libertarian Party believes that the government should encourage less dependence upon the public schools, and allow parents more freedom of choice in planning the education of their children.

If you want to break the vicious cycle of spending more and more tax money for less and less education, the Libertarian Party urges you to stop financing expansion of the government education bureaucracy. VOTE NO on Proposition A.

Please send material for inclusion in FRONTLINES *to Lynn Kinsky at REASON, P.O. Box 6151, Santa Barbara, CA 93111. Meeting and activity announcements will be carried as space permits; however we must receive announcements two months before the actual event if we are to publish it as a "coming attraction" rather than as history. Tell us about your group, your activities, your strategies for social change in as much detail as possible. Items accompanied by photos are especially welcome.*

song

live the moments as they come
but save something for the end

that's when you die, boy
that's when you die

say what you have to say when they ask you
but save something for the end

that's when you lie, boy
that's when you lie

for time will be spent anyhow, boy
and tomorrow is the day hereafter

and words may bring you down—
but they are all you have in the end

that's when you die, boy
that's when you die.

Rudolph J. Laubscher

BOOK REVIEW *(continued from page 37)*

Labor Committees, and the Party for Workers' Power.

Sale gives an indication of the ideological condition of SDS at the time of its break-up, discussing the manifesto of the Weatherman faction: "[The Weatherman statement] really represents the culmination of the separation of the SDS leadership from the broad SDS membership, from the student constituency in general, and from most of the American left . . . It reduces the role of white American revolutionaries to fighting other people's battles, finding their own liberation only by tagging along after blacks and Third World guerrillas, being observers of an American revolution which comes about not through general social transformation by the bulk of its own people but through military defeat at the hands of the colonized people of color, aided perhaps by a few working-class youth in the wings. Not only are students no longer an agency of change, they are not even an object of change; not only do white middle-class college-educated people have no battles of their own to fight, they have no legitimacy as a stratum or validity as a force."

The three books under review have different focuses. Sale's book is mostly a sympathetic, though critical history of the activities and ideological changes of the national leadership of the SDS organization, drawing on the papers of the national office. It accomplishes its task brilliantly. My major complaint is that it has no analysis of the Revolutionary Youth Movement II faction's stance at the time of the dissolution of SDS. (For such a critique, see James Weinstein's article in the May-June 1970 issue of *Socialist Revolution.*)

Bacciocco's book is a straightforward narrative history of the entire New Left. The bulk of the book is a non-evaluative account that is especially valuable for its information on the earliest days of the movement. The author supports at least some aspects of American Cold War foreign policy that the New Left opposed, as is apparent in his discussion of the Cuban missile crisis and later of nuclear deterrence in general. He is also sympathetic to the social-democratic Old Left.

Miles' book is an analysis of the politics of the entire New Left from the perspective of a new working class theory. He does a better job than Greg Calvert and Carol Neiman, who had a similar goal in their *Disrupted History* (New York: Random House, 1971). In the process, Miles provides a fascinating study of the impact of the American national government upon higher education.

Whatever the weaknesses of Miles' own position, his book contains important criticism of the social-democratic analysis of the student rebellion of the 1960s.

Bill Evers is editor-in-chief of the Libertarian Party News *and is a graduate student in political science at Stanford University. An earlier version of these reviews appeared in* The Stanford Daily. ◻

LUCIFER'S LEXICON
by L. A. Rollins

carcinogen, n. Any substance studied by the Food and Drug Administration.

Confederacy, the, n. The Untied States of America.

defend, v.t. To stick up for after sticking up.

defenseless, adj. In the position of the American taxpayer, whom the Pentagon has for some time had over a pork barrel.

desertion, n. The better part of valor.

elector, n. One enjoying the right of choosing which of the horns of a dilemma they shall be gored by.

expletive, n. A Presidential oath.

fiat money, n. Money that is worth the paper it is printed on.

fortuneteller, n. A prophet for profit. A customer of a fortuneteller is a seer sucker.

hypocrite, n. One who practices vice while preaching versa; a human being.

inertia, n. The property of civil servants whereby their bodies remain at rest unless acted upon by an external force.

reason profile

Recently, more and more women have been taking activist roles in libertarian politics. A good example is Ellen Davis, who is currently running as the Free Libertarian Party's candidate for Dutchess County (Poughkeepsie, NY) Executive. Last year, she was Campaign Manager for FLP Congressional candidate Sandy Cohen, who, while only getting a small percentage of the vote, put libertarianism and the FLP on the political map in Poughkeepsie. "I like being a candidate more than a campaign manager," says Davis. "Being a campaign manager has tremendous responsibility, while being a candidate has tremendous anxiety and excitement."

Before discovering libertarianism, Davis had been a McGovernite liberal. "I was somewhat familiar with the philosophy but thought it was a nice dream; I didn't know anybody out there that believed it or thought it could work. Then I met Sandy and got to be friends with him, and he explained the whole thing to me from roads to zoning to human rights, and by the time I had the usual liberal dumb questions satisfied in my mind I was ready to go out and slay dragons. But I wouldn't type. That's how I became an activist."

Davis, 31, has a B.S. in education from the State University of New York at Plattsburgh, and an M.A. in literature from State University of New York at New Paltz. She has been teaching English for nine years at Beacon High School in Poughkeepsie.

Davis has five Manx cats and says that her hobbies include vegetable and landscape gardening, reading, and politics. "I used to read a lot of novels but they got dull after awhile because my life got more exciting than the novels." Now she reads books about libertarianism, economics, history, and philosophy. Right now she is reading F. A. Hayek's *Road to Serfdom,* and enjoys Rothbard and Hospers. "And I thought *The Incredible Bread Machine* was the best thing I've read in years."

Now Davis keeps busy campaigning and writing several press releases a week for her campaign and for FLP candidate Carole Cohen's campaign for Mayor of Poughkeepsie. In addition to her running as FLP, Davis is running in the Democratic Primary. She feels that the best way to spread libertarianism is through politics, which she sees as self-defense. "With the amount of free ink that you get from the media, I think you can change peoples' minds, I think you can win elections, and then you can *really* change the way things work. . . . And we're having an effect: the Republicans, Democrats, and Conservatives are scared to death of us. They are worried about our viability and would like nothing more than to engulf us." ◻

Lynn Kinsky

ELLEN DAVIS

letters

KUDOS

Congratulations to R. W. Johnson for his superb "The Energy Crisis—And How To Solve It," (REASON, May 1975, pp. 4-15).

I wish I had the space to reprint theentire article right now in *Mining Engineering.* But I shall do so at the earliest opportunity.

Meanwhile, Mr. Johnson's article will serve as an invaluable source of data and direct quotes, and I shall strongly recommend it in every talk I'll be giving from now on. REASON's May issue, incidentally, provides me with the best possible material to promote REASON whenever and wherever I can to members of my profession.

Eugene Guccione
Editor, Mining Engineering
Salt Lake City, UT

PRICE-ANDERSON

R. W. Johnson presented only one side of the story of government involvement in nuclear power plants. The endless regulation was to be expected when the Price-Anderson Act (Section 170 of the Atomic Energy Act) set the limit for a utilities public liability at $560 million per nuclear accident, with the taxpayers paying about 80 percent and the utility 20 percent.

The primary concern of opponents of nuclear power has been the degree of risk that was involved in the production of power and the disposal of waste products. The assessment of risk is essentially an actuarial function rather than a political function. If a private insurance company must calculate and charge premiums sufficient to cover the level of risk to other people's property then the true economic costs of nuclear power would be reflected in the costs to the utility. The profit making incentive of the insurance company would doubtless result in a realistic level of safeguards.

Until utilities are willing to remove the cost of their liability insurance from the taxpayer we will continue to have extensive regulation of nuclear reactors.

Fred Ringenburg
Madison, WI

Mr. Johnson replies: I certainly agree with Mr. Ringenburg and this was included in my proposal (see page 14 of the article).

There is ample operating experience now with nuclear reactors, and there is also one of the most comprehensive analyses of the problem ever made, in the Rasmussen Study (see *Reader's Digest,* April, 1975, pp. 169-178) to permit actuarial determination of risk. I see no reason why the taxpayers ought to subsidize any private utility, nuclear or not. **—R.W.J.**

EFFECT OF BUSINESS TAX

I enjoyed reading R. W. Johnson's article, "The Energy Crisis and How to Solve It" In the section entitled "The Answer," however, I am afraid I had to strain a bit to follow the thread of the argument. If the interpretation I finally came up with is the correct one, I am afraid that Mr. Johnson tripped himself up on this particular point.

The section at issue begins with two lengthy paragraphs which, as far as I can determine, boil down to the following argument: When the government increases taxes on business, management simply factors in the increased taxes when deciding what prices to charge, winding up with the same after-tax profits as they would have earned if taxes had not been raised at all.

In other words, *it is not possible to tax business.* Any tax that is billed as a tax on business is in reality a hidden tax on the consumer. Thus corporate income taxes are no different than sales taxes; "windfall profits taxes" on the oil companies are no different than a tax on gasoline at the pump; etc. For example, Johnson says (page 12) that "any proposal to do away with business taxes meets with anguished outcries that we would be taxing the poor who can least afford to pay, as though a tax levied on business is not ultimately paid by the people anyway."

Note that if this argument were true, then business taxes would be inherently more equitable than "progressive" income taxes on individuals, since the same individuals would foot the same bills, but at flat rates rather than at rates graduated in proportion to income. Note further that if this argument were true, then business taxation would not discourage business activity at all. The level of business activity would be the same if government operations were funded entirely by taxes on business or by sales taxes paid openly by the consumer. In that event, Johnson could *not* say, as he says a bit later, that "The end result is to encourage waste of true wealth and a discouragement of incentive to produce true wealth." Since a major purpose of Johnson's article is to argue for the elimination of business taxation *in order to stimulate business activity,* it is crucial to his own argument that he be wrong on this particular point.

And he is wrong. The reason: The American economy does not exist in isolation. It is immersed in the world market. As a result, if the U.S. Government places taxes on American business that are higher than the taxes levied on business in some other nations (e.g., West Germany and Japan), the effect is to place American business at a competitive disadvantage vis-a-vis their foreign competition. If they attempt to raise their prices to compensate for the tax differential, *they price themselves out of their own markets.* A copper producer, for example, cannot factor in increased taxes by raising his quote above the world market price—not if he expects to stay in business. Further, the U.S. subsidiary of a foreign firm also enjoys a tax advantage, even though its U.S. division pays U.S. business income taxes according to the same rate schedule as its U.S. competitors. The reason is that such a subsidiary would function as a separate entity from its foreign parent, for accounting purposes. It would "buy" its products from its foreign parent, paying "prices" that supposedly represent costs, but which are fundamentally unverifiable as far as the IRS is concerned. Thus the parent firm is in a position to inflate such figures with impunity, and winds up with higher real profits than its U.S. competition despite the fact that its *reported* profits will be about the same. Even a "windfall profits" tax on oil producers would fall more heavily on U.S. firms than upon their foreign-based competition, for precisely this reason.

In summary, business taxes are exactly what they are said to be: taxes on business. They have precisely the effects that they are intended to have: they reduce profits, thereby in effect levying a tax burden on shareowners by lowering dividends. As intended by their proponents, they transfer the tax burden from lower and middle income people to upper income people, since such individuals own proportionately larger numbers of shares of stock. "Soak the rich" is the intent, and also the effect.

Mitchell Jones
Austin, TX

Mr. Johnson replies: I think Mr. Jones overlooks the obvious, that we are not talking only about income taxes or graduated income taxes, we are also including all forms of excise taxes, sales taxes, transport taxes, property taxes, and other varied and often imaginative taxes which

the establishment can conjure in its insatiable thirst for money.

I would suggest that Mr. Jones examine his telephone bill and note the excise tax he pays (a "temporary" wartime tax, by the way), or investigate the cost of his liquor, tobacco, if he uses them, and his gasoline at the pump, to see how much of that is taxes. Although I am no economist, I do know that to the extent that the total cost of telephones, liquor, tobacco and gasoline appear in my cost of doing business, my prices must be proportionately higher than did I not have to pay these things.

If my sales are $100,000 and my cost of sales of $100,000, I don't make any profit. Now granted, I will have no income tax to pay, but suppose the establishment now comes along and says I have to pay, say, a corporation fee of $5000 henceforth whether I make any profit or not. Am I going to absorb that as a loss? Certainly not—I will boost my sales accordingly in relation to my cost of sales, by increasing prices if the market competition permits this, or by cutting costs and possibly cheapening my product, or else I will go out of business.

If an after-tax profit of 5% on gross sales is customary for my industry, then if my cost of sales if $100,000, my sales must be around $110,000 if I am to hand over half of my pre-tax profit to the government and still have 5% of gross sales left. Now without all of the many taxes included in my cost of sales, this might be as small as $80,000, and without having to hand over half of my net to the government, I could lower my prices to reach sales of $85,000 and still have the same $5000 net I had originally.

The businesses I sell to could do the same thing, and the net result would be a considerably lower cost to the consumer, because each business is setting prices sufficient to produce an acceptable *after-tax* profit. While it is true that the after-tax *per share* earnings—earnings on invested capital rather than on gross sales—is a more widely used yardstick, the company that shows only a fraction of one percent after-tax earnings on sales is dangerously close to a big loss in any business recession regardless of their earnings per share.

Mr. Jones is correct that we are immersed in the world market, and taxes on our own businesses cannot always be compensated for in terms of higher prices. What happens here is that imports become cheaper, and our foreign trade balances suffer, or else the American business takes flight into foreign subsidiaries or affiliates. The point is, the American company will take what action it must to avoid the taxes; it certainly doesn't simply absorb them.

The idea that American Industry is owned mostly by upper income or wealthy people, as Mr. Jones suggests, is not supported by the facts. Study of the Statistical Abstract of the U.S. will show that the 5.7-million persons with estates over $100,000 only own 23.5% of the total value of stocks on the New York Stock Exchange. Of the 30,850,000 shareholders in the U.S. only 4,437,000 or 14.38% have incomes over $25,000 annually. This does not include many millions whose pension, retirement, or union strike or unemployment funds or life insurance is also invested in the common and preferred stock of American industry.

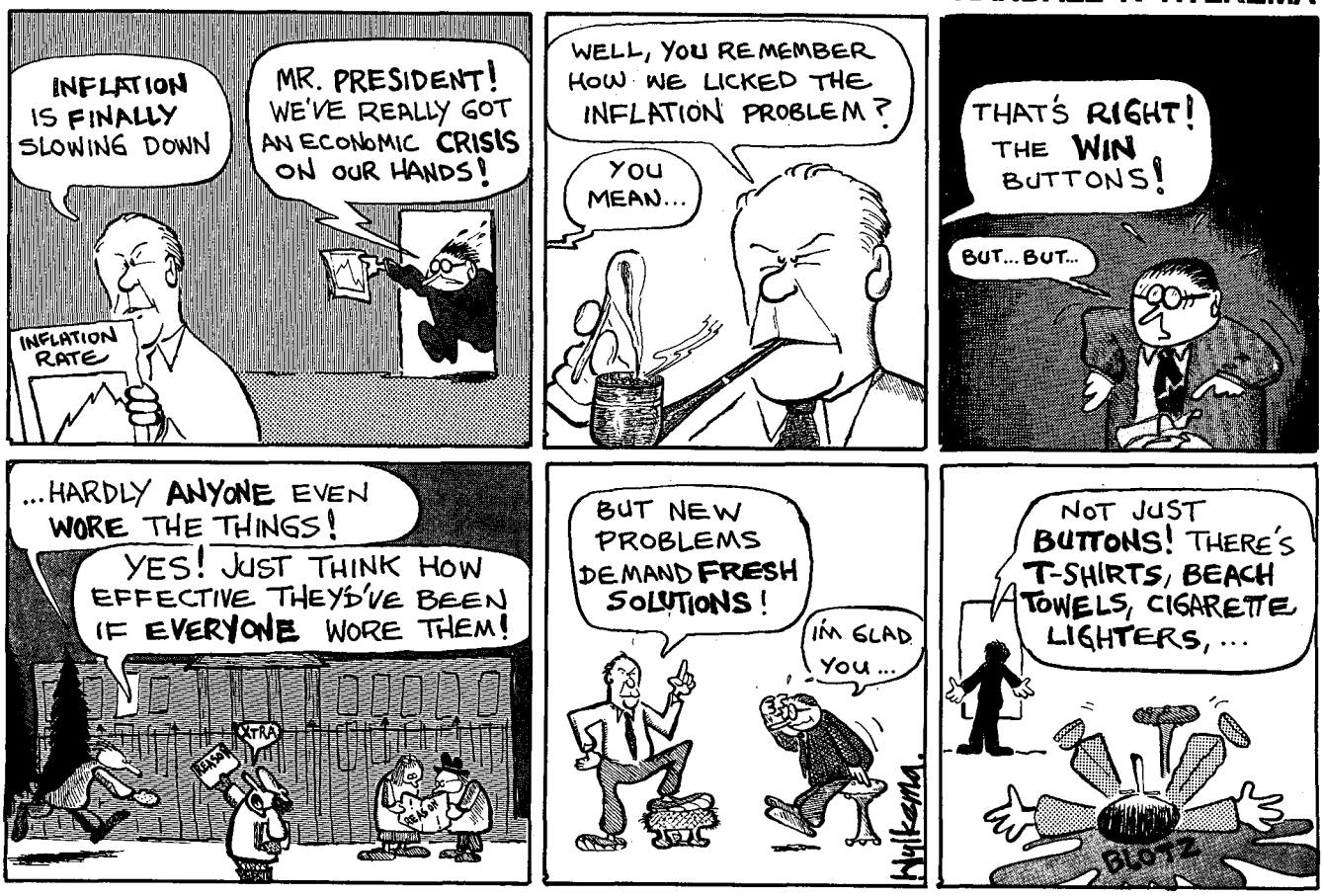
One of Parkinson's Laws is "expenditures rise to meet income"; tax revenue that is easily obtained by taxing businesses which don't vote is just as easily spent. I stand by the original proposition: a completely tax-free, unregulated, uncontrolled atmosphere in new energy sources, with ample competition, is what we need to solve the energy problems we face today. —R.W.J.

CONTRA DUNN

On reading the April issue, I was struck by the contrast between the magnificent humility and tolerance of Leonard Read and

rudebarbs

RANDALL K HYLKEMA


INFLATION IS FINALLY SLOWING DOWN
MR. PRESIDENT! WE'VE REALLY GOT AN ECONOMIC CRISIS ON OUR HANDS!
INFLATION RATE
WELL, YOU REMEMBER HOW WE LICKED THE INFLATION PROBLEM?
YOU MEAN...
THAT'S RIGHT! THE WIN BUTTONS!
BUT... BUT...
...HARDLY ANYONE EVEN WORE THE THINGS!
YES! JUST THINK HOW EFFECTIVE THEY'D'VE BEEN IF EVERYONE WORE THEM!
REASON
EXTRA
BUT NEW PROBLEMS DEMAND FRESH SOLUTIONS!
I'M GLAD YOU...
Hylkema
NOT JUST BUTTONS! THERE'S T-SHIRTS, BEACH TOWELS, CIGARETTE LIGHTERS, ...
BLOTZ

Reason's Letter of the Month

The letter below, by subscriber Thomas L. Johnson, appeared in the May 14 issue of the Fredericksburg (VA) *Free Lance-Star:*

COMPENSATION PLAN OPPOSED

For the second time James J. Kilpatrick has written a column supporting the idea that victims of violent crime should be compensated, by government, for their injuries (The Free Lance-Star, May 1 and 10). He admits that "it would be a costly new burden for the states to create boards for criminal injury compensation in the British pattern" and then goes on to ask "but why not?"

Here is the reason why not. Under present law and circumstances we find that those citizens who obey the law and thus do not commit crimes are forced, through taxation, to pay the costs involved in jailing a criminal. The innocent are required to "reward" the incarcerated criminal by providing him or her with housing, food and other necessities, and non-necessities, of life. If Mr. Kilpatrick had his way, these same law abiding citizens would be doubly penalized by being forced, through taxation, to pay compensation to those who suffer injuries resulting from violent crimes.

Can this be considered a just recommendation? Most assuredly not! One does not improve the crime situation in a country by rewarding the criminals and forcing the innocent to cover the damages. Criminals now rip-off their victims, and Mr. Kilpatrick would have the government, whose only reason for existence is to protect citizen's lives and property, rip-off the taxpayers in order to show "compassion" to both the criminals and their victims. How tragically irrational and unjust.

A simple analogy might help to clarify this point. Suppose that a student in a school violently attacks another student and takes his money, leaving the victim seriously injured. And suppose that the principal of the school then goes around the school collecting money from innocent students, by threatening them with some form of punishment if they do not cooperate (which is the way taxes are collected), in order to pay the injured victim compensation for the harm inflicted upon him. Would Mr. Kilpatrick condone this type of activity in the schools? I think not. But this is precisely the type of activity he is recommending for adult society.

The only solution to the ever-worsening crime situation in the United States is for the police and FBI to capture and arrest the criminals, and for the courts to rapidly hear the cases and dispense justice. By justice is not meant putting the criminals in "crime schools," which we refer to as jails or prisons, but rather requiring the criminals to work, under government supervision and housing, to pay for their upkeep while incarcerated, as well as pay back just compensation to the victims of their crimes. The length of their sentences should correspond to the time it takes to pay their debt, not to society, but to the victims.

Another vitally important matter is the removal of laws regarding "victimless crimes." This would involve laws concerning sexual practices, gambling, use and sale of drugs, etc., that is, laws which deal with voluntary acts between individuals, or actions which one might wish to undertake on one's own, such as the taking of a drug. Because of these laws, the law enforcement agencies and courts are so busy that they have little time left to deal with real crimes, that is, acts of force or fraud perpetrated by one person or group on another.

At the present time crime does pay! And it will continue to pay and increase as long as we reward the criminals (or do not capture and convict them) and penalize the innocent.

Thomas L. Johnson
Fredericksburg, VA

REASON subscribers are encouraged to write letters to the editor of their favorite newspaper, magazine, or journal, presenting libertarian views on topics of current interest. Each month REASON selects the most notable published letter for republication in this space, and honors the writer by a six-month extension of his or her REASON subscription. Send copies of your published letters to Reason Letter of the Month, Box 6151, Santa Barbara, CA 93111.

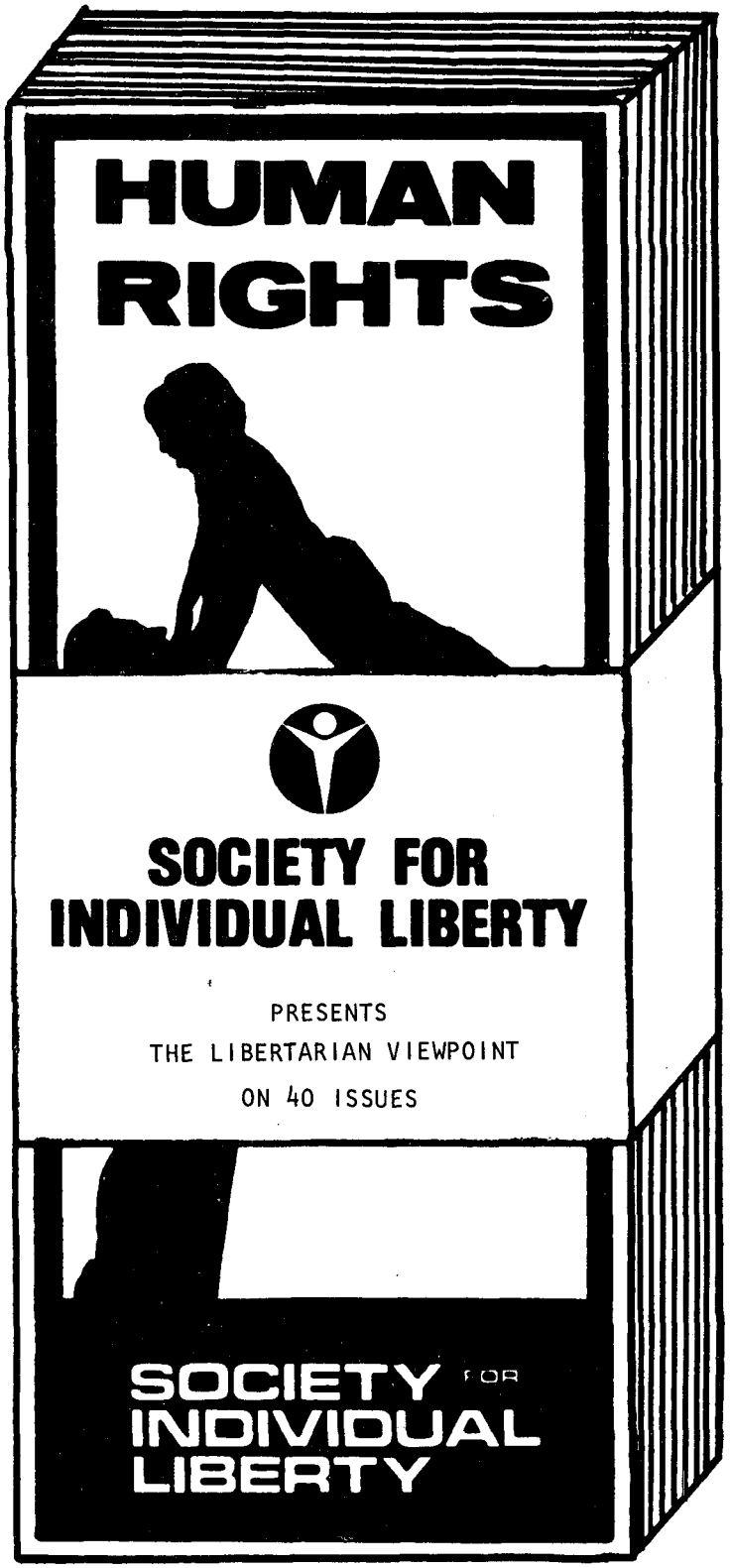
the shrill arrogance of Mike Dunn's letter in the same issue.

Certainly, libertarians should establish a separate identity. Similarities between libertarianism and conservatism arise mainly because closet libertarians within the conservative camp have converted conservatives on many issues. Consider David Brudnoy's article on gay rights in *National Review,* or Dick Cowan's blockbuster on legalizing pot, or my own editorial efforts on economic liberty. I don't see anything deplorable about all that, nor about doing the same thing within the liberal and populist media. They can keep on calling themselves anything they like, so long as they are drawn toward a libertarian position.

National Review has always been deliberately schizoid, embracing Burkean traditionalists like Russell Kirk along with libertarians like Bill Rickenbacker, Frank Meyer, Max Eastman and Karl Hess. For a long time, of course, the editorial staff was dominated by former Communists, which accounted for much of the anti-Communist feeling of the time (I confess that I still regard Maoism as the antithesis of libertarian society). It is factually incorrect to treat "conservatism" in America as if it stood for any monolithic program, fixed throughout eternity. It has long been little more than an extremely broad forum for dissent. Robert Taft, for example, hardly fit the stereotype of "fascist imperialist" (it seems that I've heard that song before).

Mr. Dunn would have libertarians stress irreverence and excitement, apparently meaning peripheral issues like legalization of dope, porn and hookers. Living near New York, I didn't realize that such activities were illegal. In any case, the issues are really quite dull. Legal markets are so encumbered with taxes and regulations that the affected industries would be smart to lobby against legalization. It is axiomatic that "black markets" are quite efficient, and legalizing sin would just give Leviathan a windfall source of enormous new taxes (Henry George was wrong: the single tax is most feasible on sex).

Over the past year, I have suffered quietly through letters in REASON suggesting that "we" drum Murray Rothbard out of the movement for his position on feminism, Ayn Rand for her views on ecology, David Brudnoy for having the guts to air strong libertarian views in conservative journals, and Steve Symms just for the hell of it. I even tolerated a New Jersey Libertarian Party requirement that I sign a loyalty oath. But the purge dirge is getting out of hand. Next, I suppose Leonard Read and the whole F.E.E.



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bunch will get the axe for being religious. Does it really corrupt their work all that much? Does it really matter?

By labeling everybody else as "conservative," and then saying "it is ridiculous to think that conservatives have anything to teach libertarians," Mr. Dunn manages to have all the answers. He also manages to arrest whatever intellectual development might otherwise have begun some time in the distant future. We have Ralph Nader to tell us what THE LIBERTARIAN really is. Why bother to study? "Libertarianism has almost exhausted the fields of politics and economics," according to Dunn. Well, after 15 years of studying (including a few books Mr. Dunn would surely burn), *I* am exhausted. So is Leonard Read. But the fields are barely tilled.

In the fifties, I wore a label on the back of my jacket: "Ladds of West L.A." Dunn just wants to monopolize the franchise on Libertarian jackets, so you can tell the good guys from the bad guys without listening to what they have to say. After all, we already have all the answers. No wonder Leonard Read is wary of his own label. The information market can separate solid information from useless ramblings, and judging from the fame of Messrs. Dunn and Ramsey, they aren't surviving the market test.

Alan Reynolds
Morristown, NJ

Alan Reynolds is an Associate Editor of National Review.—*Editor.*

CONSERVATISM

In reply to Mike Dunn's letter in the April issue, I consider myself a conservative, but I certainly don't recognize his definition. Conservatives advancing Fascism: What, really, is the difference between fascism or socialism, Communism? The only part of his definition that we might be guilty of is Cultural Authoritarianism, because we do believe in tradition.

He must be referring to the classical definition of conservatism which clung to the status quo, while the liberals were for less government and more personal freedom. The definitions have been completely turned around now, with the liberals clinging to the status quo, statism or socialism and trying to push us farther in that direction, while the conservatives want to go back to where government had very little control over the economy and people had much more personal freedom than they have now.

If libertarians are ever going to broaden their base and win elections, it will be necessary to make some compromises. I doubt if you could get two libertarians together and they would agree on everything.

I find nothing in my conservative philosophy which prevents me from supporting most of the libertarian aims as I understand them from reading REASON.

Harriet Fallick
Seattle, WA

FLUORIDES RESPONSE

In the letter published in your February issue, I pointed out that, in the context of a government monopoly on water supply, there was no way to provide non-fluoridated water to those who preferred it without depriving others, including myself, of the opportunity to enjoy our preference. Since both sets of preferences could be satisfied, without conflict, in a free market, I suggested that it would be more appropriate for libertarians to fight against the government water monopoly than to try to impose our different preferences on each other. This elementary point appears to have gone over the heads of some readers, including the two whose letters appeared in the May issue. Having renounced attempts to impose my preferences on them, I was answered by vehement attempts to justify their efforts to impose their preferences on me. What are their arguments?

First, it is alleged that as an adult I can have no real interest in fluoridated water, since fluoridation only benefits children. It is true that the benefits of fluoridation have been *demonstrated* only in the case of children: for technical reasons, the same effect in adults is more difficult to demonstrate with certainty. But absence of proof does not constitute proof of absence. In quantities used for fluoridation, which are so minute that higher concentrations of fluorides often occur naturally in spring water, the fluorides can do no harm. The mechanism of tooth decay is likely to be the same in adults as in children, and it is likely that the fluoride may do some good, even for adults. The rational decision in such a case is obvious.

Second, Dr. Yiamouyiannis claims Baltimore has a high rate of tooth decay in spite of fluoridation since 1952. But tooth decay rates depend on carbohydrate consumption as well as the availability of trace fluorides. Baltimore, like other cities, has experienced an increase in the proportion of poor people among its inhabitants—and the poor eat more carbohydrates. How about some data from communities where carbohydrate consumption remained stable for the duration of the test? Or is Dr. Yiamouyiannis afraid that his argument would disappear in the presence of appropriate experimental control?

As for Dr. Rothbard, he should be reminded that analogy is no substitute for logic. It is a violation of rights to deprive a person of the opportunity to buy a commodity, such as fluoridated water (or unfluoridated water) which would be available in the context of a free market. Given consumer preferences expressed in past votes on fluoridation, I would guess that the demand for fluoridated water would exceed the demand for unfluoridated water—and in a free market, entrepreneurs would proceed to satisfy that demand. Can anyone imagine a market for the "service" of forcing people to take aspirin on the sidewalk? Rothbard's analogy—forgive me, readers—won't hold water.

Yet, while I could not let fallacious arguments go unanswered, I would not try to impose fluoridation on anyone else. I hope, in turn, that those libertarians who prefer nonfluoridated water will desist from trying to deprive me of what I prefer, and will work instead to get the state out of our lives and out of our water supply. The statists' strategy is to create situations in which coercion is taken for granted, and only the identity of the victims is open to question. That way the victims will fight each other instead of fighting the state. Fluoridation is not the only issue on which libertarians have "taken sides," without stopping to realize that they were diverting their energies from a far more important battle.

We cannot win if, instead of fighting against state control of water systems, we waste time arguing about fluoridation. We cannot win if we argue about censorship of schoolbooks, instead of fighting against state control of the schools. We cannot win if we argue about the relative benefits of being ruled from city hall or from Washington, instead of fighting together against the idea that any majority, in the world or in the neighborhood, is entitled to abridge any individual's rights. If we follow Rothbard's advice and agitate against particular government actions that displease us, knowing well that the most likely result of such agitation is just another shift of victimization to others, "pending that happy day" when political coercion will cease, then the "happy day" will never come. So let us leave fluoridation and decentralization and pronographic schoolbooks to people who have nothing better to fight for or against. We have an important job to do. We can do it, if we remember who we are doing it on.

Adam V. Reed
New York, NY

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DEAR A, et. al.: In response, let me say that what I can't understand is why he *expected* me to speak to him then, (he did, you know) since that is precisely what he had asked me *not* to do. I'm sorry, but I have too much respect for the English language to disobey an injunction of that kind. A person who has taught Junior High School successfully for 20 years has no lack of self-assertion. You see, I didn't figure out what I was being punished *for* until sometime during the last 3 weeks. (5/11/75) In a stalemate, nobody wins. I wish I could have heard your music, but I didn't get a brochure. *Ophelia.*

WISH TO KNOW OF ANY OBJECTIVIST OR LIBERTARIAN GROUPS in the Belleville, Ill. area (or individuals interested in correspondence). *Richard Beyer,* #2 Biltmore Terrace, Belleville, IL 62221.

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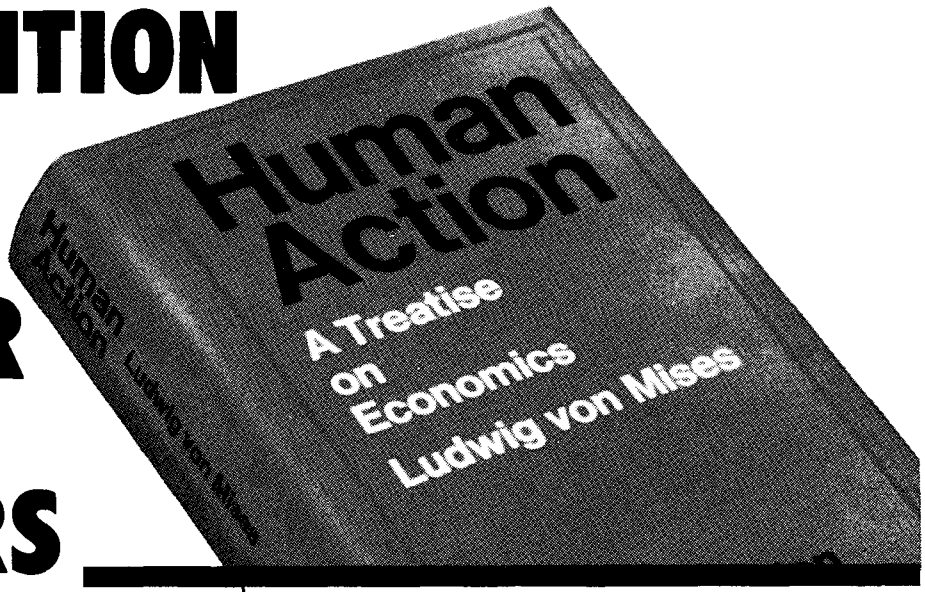

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